

COURT FILE NUMBER

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COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, RSA 2000, c B-9**

**AND**

**IN THE MATTER OF THE *JUDICATURE ACT*, RSA 2000, c J-2**

**AND**

**IN THE MATTER OF THE RECEIVERSHIP OF AQUILA FABRICATION AND EQUIPMENT LTD., 965431 ALBERTA LTD., and 1768192 ALBERTA LTD.**

APPLICANTS

**KPMG INC., IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER OF AQUILA FABRICATION AND EQUIPMENT LTD., 965431 ALBERTA LTD., and 1768192 ALBERTA LTD.**

DOCUMENT

**FIRST REPORT OF THE RECEIVER**

DATE

**JANUARY 13, 2020**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:

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# ***1. INTRODUCTION AND PURPOSE OF REPORT***

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## **Introduction**

1. Aquila Fabrication and Equipment Ltd. (“**Aquila**”), 965431 Alberta Ltd. (“**965**”) and 1768192 Alberta Ltd. (“**176**” and, collectively with Aquila and 965, the “**Companies**”) are corporations incorporated pursuant to the laws of the Province of Alberta.
2. Aquila provided manufacturing and fabrication to the upstream oil and gas industry in Western Canada. 965 is a holding company and the owner of a building and parcel of real property located at 5200 & 5204 Blindman Drive in Red Deer County, Alberta (the “**Red Deer Land and Building**”). The business and operations of Aquila and 965 are integrated in that the business of Aquila formerly operated out of the Red Deer Land and Building.
3. 176 is the borrower under several credit facilities with Servus Credit Union, the senior secured lender (the “**Lender**”), and the facilities were used to, among other things, finance the working capital requirements of 965 which were integral to the business of Aquila. The Lender has advanced funds of approximately \$1.3 million to the Companies.
4. Tom Trenerry and Donna Trenerry (the “**Applicants**”) are collectively the 100% voting shareholders of each of the Companies, the directors of 176 and, in the case of Tom Trenerry, the sole director of Aquila and 965.
5. There is a familial relationship between the Applicants and Randall James Hofer, the general manager of Aquila’s day-to-day operations (the “**General Manager**”). The Applicants alleged that the General Manager had been mismanaging the affairs of Aquila, and sought a remedy to regain control of their interest in the Companies.
6. The Applicants commenced an application to have KPMG Inc. (“**KPMG**”) appointed as receiver and manager of the Companies (the “**Receiver**”) pursuant to section 242 of the Business Corporations Act (the “**BCA**”) and section 13(2) of the Judicature Act, RSA 2000, c J-2 to, inter alia, take possession of and exercise control over the assets of the Companies and any and all proceeds, receipts, and disbursements arising out of or from the assets (collectively, the “**Property**”).
7. On October 18, 2019 (the “**Receivership Date**”), the Court of Queen’s Bench of Alberta (the “**Court**”) granted an order appointing KPMG as the Receiver over all the Property and undertakings of the

Companies (the “**Receivership Order**”). A copy of the Receivership Order is attached hereto as **Appendix “A”**.

### **Purpose of Report**

8. This is the Receiver’s first report to the Court (the “**First Report**” or the “**Report**”) which has been prepared to provide the Court with:
  - a) A summary of the Companies’ primary assets and liabilities;
  - b) An update on the actions of the Receiver since the Receivership Date;
  - c) A summary of the sale and marketing process undertaken by the Receiver;
  - d) Details pertaining to the proposed transaction between the Receiver and GD Auctions and Appraisals (“**GD Auctions**”) in respect of equipment owned by Aquila;
  - e) The Receiver’s interim statement of receipts and disbursements from October 18, 2019 to December 31, 2019;
  - f) The fees and disbursements of the Receiver’s counsel for the period of October 18, 2019 to December 31, 2019; and
  - g) The Receiver’s recommendations.
9. A confidential supplemental report (the “**First Confidential Supplemental Report**”) has been prepared by the Receiver, which provides additional details of the sales and marketing process undertaken in respect of the Equipment, and the bids submitted to the Receiver in connection with the RFP (as defined herein).

### **Terms of Reference**

10. In preparing this Report, the Receiver has been provided with, and has relied upon, unaudited and other financial information, books and records (collectively, the “**Information**”) prepared by the Companies’ and/or its representatives, and discussions with the Companies’ management and/or representatives.

11. The Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants Handbook, and accordingly the Receiver expresses no opinion or other form of assurance in respect of the Information.
12. The information contained in this Report is not intended to be relied upon by any prospective purchaser or investor in any transaction with the Receiver.
13. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.
14. All materials filed with the court and all orders granted by the Court in connection with the receivership will be made available to creditors and other interested parties in electronic format on the Receiver’s website <http://home.kpmg/ca/aquila> (the “**Receiver’s Website**”).

## 2. THE COMPANIES' PRIMARY ASSETS

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15. As at the Receivership Date, the Companies' primary assets as recorded in the Companies' books and records are summarized as follows:

The Companies' Primary Assets	
CAD \$	
<b>Aquila Fabrication and Equipment Ltd.</b>	
Inventory	512,181
Fixed Assets	307,431
Accounts receivable	110,365
Servus Credit Union chequing account	5,209
<b>Total</b>	<b>935,185</b>
<b>965431 Alberta Ltd.</b>	
Property, plant and equipment	660,988
Servus Credit Union chequing account	79
<b>Total</b>	<b>661,067</b>
<b>1768192 Alberta Ltd.</b>	
Advances to related parties	1,304,813
Investment in 965431 Alberta Ltd.	23,001
Servus Credit Union chequing account	97
<b>Total</b>	<b>1,327,911</b>
<i>The Information is an aggregate of the Companies' books and records, bank statements, notice to reader financial statements and amounts determined through analysis by the Receiver. The Receiver continues to review the Companies' records and the amounts may be materially different than stated in these preliminary findings.</i>	

16. Aquila's assets comprise a stock of raw materials and work in progress (the "**Inventory**") fixed assets comprising equipment and vehicles used in the business operations (the "**Equipment**") and accounts receivable.
17. The Receiver investigated the recoverable value of the Inventory and engaged GD Auctions to value both it and the Equipment.
18. The books and records of Aquila reflect approximately \$110,365 of outstanding accounts receivable. However, based on review and analysis by the Receiver, only approximately \$35,193 was collectible.
19. 965 is the holding company for the Red Deer Land and Building and the value is based on 965's year ended December 31, 2018 unaudited notice to reader financial statements.

20. 176 holds an investment in 965 and the value is based on 176's year ended March 31, 2019 unaudited notice to reader financial statements.
21. The funds in the Companies' Servus Credit Union chequing accounts have been transferred to the Receiver's account.



### 3. THE COMPANIES' PRIMARY LIABILITIES

22. As at the Receivership Date, the Companies' primary liabilities as recorded in the Companies' books and records are summarized as follows:

<b>The Companies' Primary Liabilities</b>	
<b>CAD \$</b>	
<b>Aquila Fabrication and Equipment Ltd.</b>	
Advances from related parties	738,141
Deferred revenue	355,263
Miscellaneous trade payable	86,123
GST and payroll liabilities	63,850
Ford Credit Canada Leasing	25,144
<b>Total</b>	<b>1,268,520</b>
<b>965431 Alberta Ltd.</b>	
Advances from related parties	1,223,960
Due to shareholders	26,409
Servus Credit Union mortgage account	8,280
Accounts payable	7,000
GST payable	272
<b>Total</b>	<b>1,265,921</b>
<b>1768192 Alberta Ltd.</b>	
Servus Credit Union mortgage account	1,215,258
Servus Credit Union line of credit	89,790
Due to shareholders	18,092
<b>Total</b>	<b>1,323,140</b>
<i>The Information is an aggregate of the Companies' books and records, bank statements, notice to reader financial statements and amounts determined through analysis by the Receiver. The Receiver continues to review the Companies' records and the amounts may be materially different then stated in these preliminary findings.</i>	

23. 176 is the borrower under several credit facilities with the Lender and the facilities were used to, among other things, finance working capital requirements.
24. Servus Credit Union advanced funds to 965 and has a first secured position in respect of the Red Deer Land and Building and further security by way of a personal guarantee from the Applicants.
25. The Applicants have further funded Aquila for the purposes of continuing the manufacturing and fabrication business while it was unable to operate cash positively. Additionally, the Applicants are first secured on the equipment.
26. Advances from related parties are due to 1713784 Alberta Ltd. (“171”), 176, and 965.

27. Aquila also has liabilities pursuant to capital leases related to Ford Credit Canada Leasing in respect of vehicles used in the Aquila operations.
28. Based on the books and records available to the Receiver, the Companies' have approximately 109 unsecured creditors, including landlords, Canada Revenue Agency ("CRA"), and trade suppliers.
29. Aquila processes payroll internally. The Receiver was able to determine that all required payroll deductions were remitted to the CRA up to September 30, 2019. The Receiver is assessing the remaining balance to be submitted to the CRA, however such amounts are not expected to exceed \$10,000.

## ***4. ACTIVITIES OF THE RECEIVER TO DATE***

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### **Day One Activities**

30. The Companies' operated from the Red Deer Land and Building which includes a head office and a manufacturing facility.
31. On the Receivership Date, the Receiver attended the Red Deer Land and Building to undertake the following initial actions:
  - a) Informed and terminated all employees of the Aquila;
  - b) Engaged one former employee as a consultant to assist with the exercise of the Receiver's powers and duties (detailed below);
  - c) Identified, inventoried and secured all the Equipment; and
  - d) Secured the premises including changing all locks, updated building security contact details and made arrangements for ongoing security.

### **Cash and Banking**

32. The Receiver sent notice to the Companies' financial institution, Servus Credit Union, that all of the Companies' accounts are to be immediately frozen and the balances forwarded to the Receiver for deposit into the Receiver's trust account. The Companies' bank account remains open for receipts only.
33. The Receiver immediately opened a new trust account in the name of the receivership estate and subsequently transferred all cash in the Companies' bank accounts to the Receiver's trust account.
34. The Receiver also issued a certificate (the "**Receiver's Certificate**") to the Applicants in the amount of \$40,000, being part of the total principal sum of \$100,000 which the Receiver is authorized to borrow for various receivership matters including coverage of necessary expenses including insurance, security, utilities, among others.

## **Books and Records**

35. Substantially all of the Companies' books and records were located onsite. However, the Receiver was not able to gain immediate access as a result of not having the correct passwords.
36. The Receiver made arrangements with the directors of the Companies' to obtain what books and records they had available to them, which were provided to the Receiver promptly.
37. On or about November 14, 2019, a former employee agreed to meet with the Receiver to provide access to the accounting records. However, it was noted that the accounting records had not been updated or reconciled since approximately July 2019.
38. In addition to the Companies' books and records, the Receiver took control of the Companies' website and email server. The Receiver worked with the Companies' third party web-hosting service provider to obtain control and restrict access to these platforms.
39. As at the date of this Report, certain information is still incomplete and the Receiver continues to work through the information available, principally to support remittance of GST filings.

## **Insurance**

40. The Receiver reviewed the Companies' existing insurance policies for adequacy of protection and noted that the incumbent insurer provided reasonable value in terms of overall coverage and cost. All policies were set to expire on or about November 18, 2019.
41. Insurance has been renewed in respect of the Companies' assets and the Receiver has been added as a loss payee to all relevant policies. The Companies' insurance coverage consists primarily of commercial general liability, building, and other required policies.

## **Notice**

42. Paragraph 36 of the Receivership Order addresses what is deemed good and sufficient service, and the Receiver confirms that all requirements were met subsequent to its appointment.
43. The BCA section 100(a) identifies the responsibilities of a receiver and manager which include the requirement to notify the registrar of corporations, which the Receiver confirms has been completed.

44. In an effort to give notice to all affected parties of the Receivership, the Receiver issued the prescribed notice and statement pursuant to sections 245 and 246 of the BIA to all known secured and unsecured creditors of the Companies, providing notice of its appointment. A copy of the notice and statement is attached hereto as **Appendix “B”**.

### **Management, Employees, and Contractors**

45. As at the Receivership Date, Aquila had nine employees. The Receiver attended the Red Deer Land and Building to advise the employees of the appointment of the Receiver and the termination of their employment. The Receiver also contacted any employees not on site and advised them of the same.
46. The Receiver engaged one former Aquila employee as a consultant to assist the Receiver with safeguarding and providing knowledge of the Equipment in order to maximize realizations.
47. On or about December 9, 2019, the Receiver issued the former Aquila employees copies of their record of employment (“**ROE**”) which was delayed due to lack of initial access to books and records.
48. The Receiver did not make any payments pursuant to the Wage Earner Protection Program Act (“**WEPPA**”). The receiver intends to pay all outstanding amounts due to employees in respect of pre-filing amounts, as this was more cost-effective given wage arrears consisted of one week of pay and most employees were not eligible for severance, termination, or vacation pay given their lack of tenure. The Receiver estimates this amount at approximately \$15,000.

### **Property Taxes**

49. The Receiver has received an updated accounting in respect of the Red Deer Land and Building and the accounts show no arrears owing.
50. The Receiver estimates that 2020 property taxes are approximately \$30,000. The invoice is not expected to be received until May 2020.

### **Accounts Receivable**

51. The Receiver investigated potential accounts receivable and discussed the same with the General Manager, former employees and the directors and reviewed Aquila’s books and records. However, based on this review, it was determined that there was only one account receivable that had any prospect of being collected.

52. This balance related to a project Aquila completed on or about October 3, 2019, for Pro-Find Equipment Inc. (“**Pro-Find**”). This project had been partially paid and had an outstanding receivable of approximately \$35,193. The Receiver contacted Pro-Find and this amount was received by the Receiver on or about January 6, 2020.

### **Work in Progress**

53. Aquila had two existing contracts in progress at the time of the Receiver’s appointment. These contracts consist of manufacturing and fabrication of vessels for Centennial Well Testing Ltd. (“**Centennial**”) and Artis Exploration Ltd. (“**Artis**”, and collectively with Centennial, the “**Projects**”).

54. Upon appointment, the Receiver analyzed the Projects to determine:

- a) The exact status of the project and the project’s timeline for completion;
- b) The cost and cost drivers for project completion; and
- c) The financial and operational viability of project completion.

55. The analysis involved numerous discussions and meetings with former employees of Aquila, representatives from Centennial, and communication with Alberta Boilers Safety Association (“**ABSA**”).

56. The Receiver made multiple attempts to communicate with Artis and other parties that may have knowledge of this project, but as at the date of this report the Receiver has received no responses.

57. The analysis was complicated and delayed by the poor state of record keeping of the Companies which worked against any possibility of being able to complete the Projects.

58. The Receiver communicated specifically with the General Manager to obtain particular details on the existing projects and the ability to complete them. The General Manager identified to the Receiver that, notwithstanding the lack of information and difficulties in determining an economic basis for completion of the projects, he believed that certain ABSA requirements would make it impossible to complete the Projects in the Receivership.

59. After completing the analysis, the Receiver determined that it would not be economically feasible for Aquila to complete the Projects under the receivership based on the timeline for completion, costs, and necessary ABSA compliance requirements.

## Security Review

60. The Receiver's counsel has undertaken a review of the validity and enforceability of the security held by the Lender. The Receiver's counsel has advised the Receiver that the Lender has a valid security interest in the right, title, and interest of the Companies in its real and personal property, subject to certain standard assumptions and qualifications.
61. The Applicants have a land charge registration against Aquila registered on November 1, 2013 which has no expiry date. Additionally, the Applicants have a security agreement registration against Aquila registered on November 1, 2013 which will expire on November 1, 2033 with a collateral description of all of the debtor's present and after-acquired personal property.
62. 176 has a registered mortgage against the Red Deer Land and Building registered on November 27, 2013. Further, the Lender registered a mortgage against the Red Deer Land and Building on May 13, 2014. The land titles certificate for the Red Deer Land and Building lists 965 as the owner.
63. As per the review performed by the Receiver's counsel, the registrations detailed above are valid and enforceable. Therefore, the Applicants are the first priority secured party against the Equipment and the second priority secured party against the Red Deer Land and Building, while the Lender is the first priority secured party against the Red Deer Land and Building.

## Manufacturing and Fabrication Equipment

64. Substantially all of the Equipment is owned by Aquila, however certain equipment used by the Companies' is leased to the Companies' by Ford Credit Canada Leasing and other common business leases (i.e. office equipment) (collectively, the "**Leased Equipment**").
65. The Receiver engaged GD Auctions to conduct an independent appraisal of the Equipment, including the Leased Equipment. The Receiver contacted the lessors of the Leased Equipment to obtain payout statements in order to confirm the amount of debt owing on their respective equipment. The Receiver utilized the GD Auction appraisal and the payout statements in order to determine equity in the Leased Equipment. The Receiver completed a review of the lease agreements and concluded that the likely realizable value of the Leased Equipment would not exceed the amounts outstanding to the lessors and, accordingly, the Receiver had no financial interest in the Leased Equipment.
66. On or about January 9, 2020, the Receiver voluntarily surrendered any interest in the Leased Equipment and requested that the lessors remove the equipment, which was promptly completed.

## ***5. REALIZATION OF ASSETS***

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### **Land and Building**

67. The Receiver sent five requests to real estate agents in Red Deer and the surrounding area seeking listing details for the Red Deer Land and Building, and received two proposals.
68. The suggested listing prices by the brokerages was approximately \$2.1 million with a market term of six to eight months.
69. The Receiver engaged Colliers International (the “**Agent**”) to prepare the listing and market the Red Deer Land and Building, as its offer provided the most reasonable prospect of realization. Additionally, the Applicants and Lender were supportive of the Receiver engaging the Agent.
70. At the date of this Report, the Agent is currently marketing the Red Deer Land and Building at a list price of \$2.1 million.

### **Manufacturing Equipment**

71. To realize on the Equipment located on the Red Deer Land and Building, the Receiver prepared and distributed a request for proposal (the “**RFP**”) in order to solicit proposals from auctioneers, third party liquidators, and private buyers (by request).
72. The RFP included the following information:
  - a) A high-level overview of the assets included in the process;
  - b) An outline of the requirements to be included in the proposal submission;
  - c) The proposal submission deadline;
  - d) A description of the Receiver’s proposal review and selection process;
  - e) A copy of the Receivership Order;
  - f) A Non-Disclosure and Confidentiality Agreement (the “**NDA**”); and
  - g) A bid deadline date of November 29, 2019 (the “**Bid Deadline**”).



73. The RFP was sent directly to twenty-one potential bidders, consisting primarily of liquidators. Concurrently, an advertisement was placed in a local publication referencing the Receiver's Website for the sales process (the "**Sales Process**"). Copies of the newspaper advertisement are attached hereto as **Appendix "C"**.
74. Potential bidders were required to submit a signed NDA to the Receiver in order to receive a detailed asset listing and obtain access to the data room which contained photos of the Equipment.
75. The Receiver received twelve signed NDAs from interested parties and replied to various information requests, as well as coordinating seven site visits by the interested parties.
76. On or before the Bid Deadline, the Receiver received seven bids, all which were submitted by liquidation companies.
77. Following receipt of bids, the Receiver corresponded with certain parties that submitted bids in order to clarify certain terms of their respective bids.
78. Accordingly, the Receiver determined that the bid received from GD Auctions (the "**GD Purchase Offer**") was superior to all other bids received.
79. The Receiver has, subject to approval of the Court, accepted the GD Purchase Offer and has executed a purchase and sale agreement with GD Auctions (the "**GD PSA**"). A copy of the GD PSA (with certain terms redacted) is attached hereto as **Appendix "D"**.
80. The Receiver has provided further detailed information on the appraisal value, Sales Process and the GD Purchase Offer in the First Confidential Supplemental Report.
81. The Receiver is of the view that the Sales Process for the Equipment was fair, reasonable, and transparent, and provided the highest and best value for the equipment given the following:
  - a) The GD Purchase Offer provided the highest cash offer;
  - b) The Sales Process set out an initial four week process for marketing of the Equipment to prospective buyers and liquidators and, in the Receiver's view, this timeline was sufficient to allow due diligence and submission of bids; and
  - c) The Lender and the Applicants are supportive of the transaction.

82. The Receiver will seek an approval and vesting order in respect of the GD PSA and the transaction set out therein.
  
83. The Receiver will seek a sealing order in connection with the First Confidential Supplemental Report as the First Confidential Supplemental Report contains certain commercially sensitive information including appraisal values for the Equipment and a proposed purchase price. Disclosure of the information contained in the First Confidential Supplemental Report could cause irreparable prejudice to creditors and other stakeholders in the event the transaction contemplated by the GD PSA does not close. If this were to occur, the Equipment could be subject to further marketing and the Receiver's ability to obtain the highest and best price would be severely compromised by the information entering the public domain. As such, the Receiver seeks a limited sealing order in connection to the First Confidential Supplemental Report.

## 6. FEES AND DISBURSEMENTS OF THE RECEIVER AND ITS COUNSEL

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84. The Receiver and the Receiver’s counsel have billed fees and disbursements of \$118,766 and \$2,750, respectively, inclusive of GST relating solely to fees incurred with respect to Aquila (collectively, the “**Aquila Professional Fees**”).

<b>Aquila Professional Fees</b>			
<b>For the Period of October 18, 2019 to December 31, 2019</b>			
<b>CAD \$</b>	<b>Fees &amp; Disbursements</b>	<b>GST (5%)</b>	<b>Total</b>
<b>KPMG Inc.</b>	113,111	5,656	118,766
<b>MLT Aikins LLP</b>	2,619	131	2,750
<b>Total</b>	<b>115,730</b>	<b>5,786</b>	<b>121,516</b>

85. The Receiver and the Receiver’s counsel have billed fees and disbursements of \$33,969 and \$2,214, respectively, inclusive of GST relating solely to fees incurred with respect to 965 (collectively, the “**965 Professional Fees**”).

<b>965 Professional Fees</b>			
<b>For the Period of October 18, 2019 to December 31, 2019</b>			
<b>CAD \$</b>	<b>Fees &amp; Disbursements</b>	<b>GST (5%)</b>	<b>Total</b>
<b>KPMG Inc.</b>	32,351	1,618	33,969
<b>MLT Aikins LLP</b>	2,109	105	2,214
<b>Total</b>	<b>34,460</b>	<b>1,723</b>	<b>36,183</b>

86. The Receiver and the Receiver’s counsel have billed fees and disbursements of \$33,969 and \$2,214, respectively, inclusive of GST relating solely to fees incurred with respect to 176 (collectively, the “**176 Professional Fees**”).

<b>176 Professional Fees</b>			
<b>For the Period of October 18, 2019 to December 31, 2019</b>			
<b>CAD \$</b>	<b>Fees &amp; Disbursements</b>	<b>GST (5%)</b>	<b>Total</b>
<b>KPMG Inc.</b>	12,118	606	12,724
<b>MLT Aikins LLP</b>	1,846	92	1,938
<b>Total</b>	<b>13,964</b>	<b>698</b>	<b>14,662</b>

87. As there are no assets in 176, and the Receiver has had to undertake certain necessary statutory and administrative functions with respect to 176 to facilitate the overall receivership of the Companies, the Receiver intends to satisfy the 176 Professional Fees from funds available from Aquila and this has been approved by the Applicants.
88. Copies of the invoices described herein for all three entities, including detailed time analysis, will be made available to the Court upon request.
89. The Aquila Professional Fees, the 965 Professional Fees and the 176 Professional Fees (together, the “**Receiver Professional Fees**”) pertain to performance by the Receiver of its statutory duties and post-appointment mandate, including on-site attendance at the Companies’ location, obtaining a fulsome understanding and control of the assets, responding to issues and demands raised by interested parties, including but not limited to:
- a) Secured and maintained the Property;
  - b) Communicated with various stakeholders regarding the receivership process;
  - c) Coordinated the sale of the Equipment pending approval by the Court; and
  - d) Coordinated the listing of the Red Deer Land and Building with the Agent.
90. The activities of the Receiver and the Receiver’s counsel are documented in this Report. The Receiver has dealt with a variety of assets, and maintained continued correspondence with various stakeholders and other interested parties. The Receiver is of the view that the Receivership Professional Fees have been incurred in a prudent and economical manner and are fair and reasonable in the circumstances.

## **7. INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS**

91. The Receiver's disbursements during the receivership period have primarily related to the preservation of the Equipment located on the Red Deer Land and Building, and the asset realization strategy related to same, which includes, amongst other items, costs such as insurance, security, and utility expenditures.
92. Below is a summary of the Receiver's interim statement receipts and disbursements for the period October 18, 2019 to December 31, 2019 (the "SRD").

<b>The Companies' Interim Statement of Receipts and Disbursements</b>	
<b>For the Period of October 18, 2019 to December 31, 2019</b>	
<b>CAD \$</b>	
<b>Receipts</b>	
Receiver's certificate #1	40,000
Funds at date of possession	5,399
Interest allocation	22
<b>Total Receipts</b>	<b>45,422</b>
<b>Disbursements</b>	
Insurance	16,740
Contractors	4,869
Security	1,704
GST paid on disbursements exclusive of fees	85
Bank charges	37
<b>Total Disbursements</b>	<b>23,435</b>
<b>Total Excess of Receipts over Disbursements</b>	<b>21,987</b>

93. The Receiver borrowed \$40,000 under Receiver's certificate #1 with interest compounded daily at a notional rate per annum equal to the rate of zero percent above the prime commercial lending rate of Royal Bank of Canada from the Applicants to fund disbursements required at the outset of the Receivership.
94. The SRD reflects disbursements of \$23,435. This includes the following:
- \$16,740 is for the insurance renewal over the Equipment and Red Deer Land and Building;
  - \$4,869 relates to amounts paid to the former employee hired as a contractor by the Receiver; and
  - \$1,704 was for onsite security for the first two weeks of the Receiver's appointment.

95. The Receiver anticipates future receipts to relate primarily from the proceeds of sale of the Red Deer Land and Building.
96. The Receiver anticipates future disbursements required to complete the administration of the estate to relate primarily to:
- a) Brokerage commission;
  - b) Wage amounts outstanding;
  - c) Contractor for site security; and
  - d) Professional fees of the Receiver and the Receiver's counsel.

## **8. RECEIVER'S RECOMMENDATIONS**

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97. The Receiver submits this First Report, respectfully requesting that the Court:
- a) Approve the First Report and the "First Confidential Supplemental Report", and the activities of the Receiver as set out therein;
  - b) Approve the sale and vesting order in relation to the equipment that is subject to the GD PSA;
  - c) Approve the Receivership Professional Fees for the Receiver and the Receiver's counsel for the period October 18, 2019 to December 31, 2019; and
  - d) Seal the First Confidential Supplemental Report.

This Report is respectfully submitted this 13<sup>th</sup> day of January, 2020.

**KPMG Inc.**

**In its capacity as Court-Appointed Receiver of  
Aquila Fabrication and Equipment Ltd.,  
965431 Alberta Ltd., and 1768192 Alberta Ltd.  
and not in its personal or corporate capacity**



Per: Neil Honess  
*Senior Vice President*

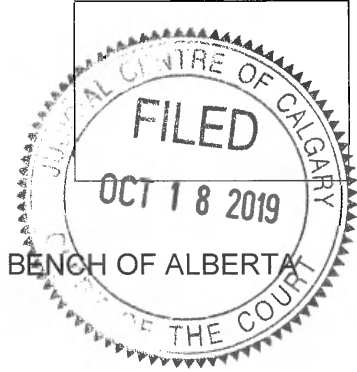
**APPENDIX “A”**

**Receivership Order**



COURT FILE NUMBER  
COURT  
JUDICIAL CENTRE OF

Clerk's Stamp:



1901-14034  
COURT OF QUEEN'S BENCH OF ALBERTA  
CALGARY

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, RSA 2000, c B-9

AND

IN THE MATTER OF THE *JUDICATURE ACT*, RSA 2000, c J-2

AND

IN THE MATTER OF THE RECEIVERSHIP OF AQUILA FABRICATION AND EQUIPMENT LTD.

AND

IN THE MATTER OF THE RECEIVERSHIP OF 965431 ALBERTA LTD.

AND

IN THE MATTER OF THE RECEIVERSHIP OF 1768192 ALBERTA LTD.  
TOM TRENERRY and DONNA TRENERRY

AQUILA FABRICATION AND EQUIPMENT LTD., 965431 ALBERTA LTD., 1768192 ALBERTA LTD. and RANDALL JAMES HOFER

**ORDER APPOINTING RECEIVER**

**Cassels Brock & Blackwell LLP**  
Suite 3810, Bankers Hall West  
888 3 Street SW  
Calgary, AB T2P 5C5

Attention: Jeffrey Oliver  
Phone: 403-351-2921  
Facsimile: 403-648-1151

I hereby certify this to be a true copy of the original Order

Dated this 18 day of Oct 2019  
[Signature]  
for Clerk of the Court

APPLICANTS

RESPONDENTS

DOCUMENT

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:

File No.: 53374-1

DATE ON WHICH ORDER WAS PRONOUNCED    Friday, October 18, 2019

NAME OF JUDGE WHO MADE THIS ORDER        The Honourable Madam Justice B.E.C. Romaine

LOCATION OF HEARING                                Calgary, Alberta

**UPON THE APPLICATION** of Tom Trenerry, Donna Trenerry and 1768192 Alberta Ltd. (collectively, the "**Applicants**"); **AND UPON** having read the Originating Application and the Affidavit of Tom Trenerry sworn October 7, 2019 and the Affidavit of Randall James Hofer, sworn October 15, 2019; **AND UPON** it appearing just and equitable that a receiver-manager (the "**Receiver**") be appointed to manage the Property of Aquila Fabrication and Equipment Ltd. ("**Aquila**") and 965431 Alberta Ltd. (together, the "**Companies**"); **AND UPON** being advised that Randall James Hofer has not posted \$100,00 into the operating account of Aquila pursuant to paragraph 2 of the Order of this Honourable Court dated October 15, 2019; **AND UPON** it appearing that KPMG Inc. has consented to Act as the Receiver; **AND UPON** hearing counsel for the Applicants;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today.

**APPOINTMENT**

2. Pursuant to section 242 of the *Business Corporations Act*, RSA 2000, c B-9 (the "**BCA**") and Section 13(2) of the *Judicature Act*, R.S.A. 2000, c J-2, KPMG Inc. ("**KPMG**") is hereby appointed Receiver, without security, of all of the Companies' current and future affairs, businesses, assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (collectively, the "**Property**").

**RECEIVER'S POWERS**

3. In addition to the powers set forth in the *BCA*, the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Companies and the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
  - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
  - (c) to manage, operate and carry on the business of the Companies, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Companies;
  - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
  - (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Companies or any part or parts thereof;
  - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Companies and to exercise all remedies of the Companies in collecting such monies, including, without limitation, to enforce any security held by the Companies;
  - (g) to settle, extend or compromise any indebtedness owing to or by the Companies;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Companies, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Companies;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court.
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or

parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, notwithstanding Section 191 of the Land Titles Act, RSA 2000, c. L-4, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Companies and not in its personal capacity;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Companies;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Companies, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Companies;
- (r) assign the Companies (or any one of them) into bankruptcy without further Order of this Honourable Court;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Companies may have; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Companies, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. (i) The Companies, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Companies, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or

making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE COMPANIES OR THE PROPERTY**

8. No Proceeding against or in respect of the Companies or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Companies or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8; and (ii) affect a Regulatory Body's investigation in respect of the Companies or an action, suit or proceeding that is taken in respect of the Companies by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "Regulatory Body" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.
9. Without limiting the generality of paragraph 8, the proceeding commenced under Court of Queen's Bench of Alberta Action No. 1910-000992, styled *Randall Hofer v. 1768192 Alberta Ltd., Tom Trenerry and Donna Trenerry*, is hereby stayed and suspended pending the earlier of: (i) the discharge of the Receiver over the Property; or (ii) further Order of

this Court, provided however that the stay referenced in this paragraph shall not operate to stay the filing and service of the following documents within the time periods established under the *Alberta Rules of Court*, Alta Reg 124/2010, or such other time periods as may be mutually agreed to by the parties or ordered by the Court:

- (a) any statements of defence to the statement of claim, third party claim(s) and counterclaim(s); and
- (b) any third party claim(s) and/or counterclaim(s).

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Companies or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided, however, that nothing in this Order shall:

- (a) empower the Companies to carry on any business that the Companies are not lawfully entitled to carry on;
- (b) prevent the filing of any registration to preserve or perfect a security interest;
- (c) prevent the registration of a claim for lien; or
- (d) exempt the Companies from compliance with statutory or regulatory provisions relating to health, safety or the environment.

11. Nothing in this Order shall prevent any party from taking an action against the Companies where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

#### **NO INTERFERENCE WITH THE RECEIVER**

12. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement,



licence or permit in favour of or held by the Companies, without written consent of the Companies and the Receiver or leave of this Court.

### **CONTINUATION OF SERVICES**

13. All Persons having oral or written agreements or arrangements with the Companies or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Companies are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Companies or exercising any other remedy provided under such agreements or arrangements. The Companies shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Companies in accordance with normal payment practices of the Companies or such other practices as may be agreed upon by the supplier or service provider and each of the Companies and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

14. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court. The Receiver shall not be required to pay interest on funds so deposited beyond any interest earned by the Receiver.

### **EMPLOYEES**

15. Subject to employees' rights to terminate their employment, all employees of the Companies shall remain the employees of the Companies until such time as the Receiver, on the Companies' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**"), other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("**WEPPA**").
16. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Companies, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

17.
  - (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
    - (i) before the Receiver's appointment; or
    - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct

- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
  - (i) If, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
    - A. complies with the order, or
    - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
  - (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
    - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
    - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
  - (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

18. Except for gross negligence or willful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

### **RECEIVER'S ACCOUNTS**

19. The Receiver, counsel to the Receiver, and counsel to the Companies shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges, calculated by multiplying the time spent on the matter by their standard hourly rates. The Receiver, counsel to the Receiver, and counsel to the Companies shall be entitled to the benefit of and are hereby granted a charge (the **"Receiver's Charge"**) on the Property, as security for such fees and disbursements, incurred both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA. The Receiver's Charge with respect to counsel for the Companies only secures reasonable fees and disbursements with respect to, or in preparation for, this Application.
20. The Receiver, its legal counsel, and counsel for the Companies on this Application shall pass their accounts from time to time, but in any event, not less than once in each year.
21. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### **FUNDING OF THE RECEIVERSHIP**

22. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or

such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the **"Receiver's Borrowings Charge"**) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

23. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
24. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
25. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
26. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

#### **ALLOCATION**

27. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

#### **GENERAL**

28. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
29. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
30. Allied Shortridge Civil Enforcement Agency Inc. shall immediately release to the Receiver the shares of 965431 Alberta Ltd., which are under seizure pursuant to a writ of enforcement registered in the Alberta personal property registry number 19062846671 (the "**Shares**"). The Receiver shall maintain possession and control of the Shares pending further order of this Court.
31. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Companies.
32. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
33. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
34. The Receiver shall establish and maintain a website in respect of these proceedings at [www.home.kpmg.ca/ca/aquila](http://www.home.kpmg.ca/ca/aquila) and shall post there as soon as practicable:
  - (a) all materials prescribed by statute or regulation to be made publicly available; and

- (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
35. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
36. Service of this Order shall be deemed good and sufficient by:
- (a) serving the same on:
    - (i) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
    - (ii) any other person served with notice of the application for this Order;
    - (iii) any other parties attending or represented at the application for this Order;  
and
  - (b) posting a copy of this Order on the Receiver's Website;
- and service on any other person is hereby dispensed with.
37. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

"B.E.C. Romaine"

Justice of the Court of Queen's Bench of Alberta

**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO.

AMOUNT

1. THIS IS TO CERTIFY that **[RECEIVER'S NAME]**, the Receiver (the "**Receiver**") of all of the assets, undertakings and properties of **[COMPANY'S NAME]** appointed by Order of the Court of Queen's Bench of Alberta (the "**Court**") dated the \_\_\_ day of \_\_\_\_\_, (the "**Order**") made in action number \_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest  
  
thereon calculated and compounded **[daily] [monthly not in advance on the \_\_\_ day of each month]** after the date hereof at a notional rate per annum equal to the rate of \_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at ●.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.



6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property) as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**[RECEIVER'S NAME]**, solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: \_\_\_\_\_

Name:

Title:

**APPENDIX “B”**

**BIA Section 245 and 246 Notice (Form 87)**

# **BANKRUPTCY AND INSOLVENCY ACT**

## **Form 87**

### **Notice and Statement of the Receiver** (Subsections 245(1) and 246(1) of the Act)

#### **IN THE MATTER OF THE RECEIVERSHIP OF THE PROPERTY OF AQUILA FABRICATION AND EQUIPMENT LTD.**

#### **The Receiver gives notice and declares that:**

1. On the 18<sup>th</sup> day of October, 2019, the undersigned, KPMG Inc., became the receiver and manager (the “**Receiver**”) in respect of the assets, undertakings and properties of Aquila Fabrication and Equipment Ltd. (the “**Company**”). The property of the Company can be summarized as follows<sup>1</sup>:

	<b>Estimated Amount (CAD \$)</b>
Automotive	69,218
Accounts receivable	296,993
Equipment	128,622
Computer hardware and software	73
Furniture and fixtures	653
<b>Total</b>	<b>495,559</b>

2. The undersigned became the Receiver in respect of the assets, undertakings and properties described above by virtue of being appointed by the Court of Queen’s Bench of Alberta File No. 1901-14034, Calgary Judicial Centre, dated October 18, 2019. A copy of the appointing order can be found on the receiver’s website at: <https://home.kpmg/ca/aquila>.
3. The undersigned took possession or control of the property described above on the 18<sup>th</sup> day of October, 2019.
4. The following information relates to the Receivership:
  - (a) Address of insolvent persons: 5200 Blindman Dr.  
Red Deer County, AB T4S 2M4
  - (b) Principal line of business: Manufacturing
  - (c) Locations of business: 5200 Blindman Dr.  
Red Deer County, AB T4S 2M4
  - (d) Estimated amount owed by the Company to each creditor who holds security on the property described above<sup>2</sup>:

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<sup>1</sup> The above summary of estimated assets has been prepared based the book value of the Company’s internal unaudited financial statements dated September 7, 2018. The Company has been unable to provide any more recent financial information.

*Notice and Statement of the Receiver (Subsections 245(1) and 246(1))*

	<b>Estimated Amount (CAD \$)</b>
Servus Credit Union	1,500,000
Ford Credit Canada	-
<b>Total</b>	<b>1,500,000</b>

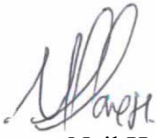
- (e) The list of other creditors of the insolvent persons<sup>3</sup> and the amount owed to each creditor (to the extent that it is known) and the total amount due by the insolvent persons is attached to this notice as **Appendix “A”**.
- (f) The intended plan of action of the Receiver during the receivership, to the extent that such a plan has been determined, is as follows:
- To safeguard and preserve the property and equipment of the Company and eventually realize on that property, likely through auction or *en bloc* purchase;
  - To collect outstanding receivables; and
  - To realize on other assets, as appropriate.
- (g) Contact Person for Receiver:

Cameron Browning  
KPMG Inc.  
Suite 3100, 205-5<sup>th</sup> Avenue SW  
Calgary, AB, T2P 4B9  
Telephone: (403) 691-8413  
Facsimile: (403) 691-8008  
Email: cbrowning@kpmg.ca

Sven Dedic  
KPMG Inc.  
Suite 4600, 333 Bay Street  
Toronto, ON, M5S 2H5  
Telephone: (416) 777-3091  
Facsimile: (416) 777-3364  
Email: svendedic@kpmg.ca

Dated at Calgary, Alberta, this 28<sup>th</sup> day of October, 2019.

**KPMG Inc.**, in its capacity as receiver and manager of  
Aquila Fabrication and Equipment Ltd.

  
Per: Neil Honess  
Senior Vice President

<sup>2</sup> Amount owing to Servus Credit Union is based on the Affidavit of Tom Trenerry dated October 7, 2019

<sup>3</sup> The Company has only limited recent books and records, detailed general ledger and trial balances. The list of creditors has been generated from the Receiver’s review of hard copy historic books and records.

**APPENDIX A**  
**LIST OF KNOWN CREDITORS**  
**IN THE MATTER OF THE RECEIVERSHIP OF**  
**AQUILA FABRICATION AND EQUIPMENT LTD., 965431 ALBERTA LTD., AND 1768192 ALBERTA LTD.**

<b>Creditor Name</b>	<b>Balance Owning</b>
ABSA	\$ 846.50
Acklands-Grainger INC.	<i>Unknown</i>
Action Media Plus	<i>Unknown</i>
Action Rentals	<i>Unknown</i>
Adams Steel Fabricators Ltd.	<i>Unknown</i>
AES Industrial Supplies Ltd.	<i>Unknown</i>
Alberta Industrial Metals	<i>Unknown</i>
All Blades Canada Inc.	<i>Unknown</i>
Apex Distribution Inc	<i>Unknown</i>
Asme	<i>Unknown</i>
Bank of Montreal	\$ 54,279.94
Bees Express Logistics	<i>Unknown</i>
Blue Diamond Design	<i>Unknown</i>
Burnett, Duckworth, Palmer	\$ 85,335.48
Canadian Natural Resources	<i>Unknown</i>
Canalta Controls Ltd.	<i>Unknown</i>
Canalta Controls Ltd.	\$ 6,723.33
CCI Thermal Technologies Inc	<i>Unknown</i>
Cloverdale Paint Inc.	<i>Unknown</i>
ComplyWorks Ltd.	<i>Unknown</i>
CVS Controls Ltd	<i>Unknown</i>
CWB Group	<i>Unknown</i>
D & M Align & Brake Ltd	<i>Unknown</i>
Digitex Canada Inc.	<i>Unknown</i>
Direct Energy Regulators	<i>Unknown</i>
DK-LOK Canada Ltd.	<i>Unknown</i>
ECHO NDE	<i>Unknown</i>
Eclipse Industries	<i>Unknown</i>
Eclipse Industries	\$ 787.50
Edge Marketing & Design	<i>Unknown</i>
Edmonton Exchanger	<i>Unknown</i>
ElectroGas Monitors	<i>Unknown</i>
Encana Corporation	<i>Unknown</i>
EPCOR	<i>Unknown</i>
Expert Security Solutions	<i>Unknown</i>
Ford Credit Canada	<i>Unknown</i>
Frank H. Monaghan Professional Corporation	\$ 4,690.00
GoDaddy Operating Company LLC	<i>Unknown</i>
Greatwest Kenworth Ltd	<i>Unknown</i>
Guytec Industries Ltd.	<i>Unknown</i>
Harvie Instruments Ltd.	<i>Unknown</i>

**APPENDIX A  
LIST OF KNOWN CREDITORS  
IN THE MATTER OF THE RECEIVERSHIP OF  
AQUILA FABRICATION AND EQUIPMENT LTD., 965431 ALBERTA LTD., AND 1768192 ALBERTA LTD.**

<b>Creditor Name</b>	<b>Balance Owing</b>
Hi-Tech Gaskets Inc.	<i>Unknown</i>
HSBC Bank Canada	<i>Unknown</i>
Intuit	<i>Unknown</i>
ISNetworld	<i>Unknown</i>
JCI Filtration & Seperation Inc.	<i>Unknown</i>
JRF Professional Crane Service Inc	<i>Unknown</i>
Keysource Corp.	<i>Unknown</i>
Kings Energy Services Ltd.	<i>Unknown</i>
Ko-Hen Electronics Supply Ltd.	<i>Unknown</i>
Lacombe Septic	<i>Unknown</i>
Lantzco Inc.	<i>Unknown</i>
Lee Specialty Seals Inc.	<i>Unknown</i>
LGI Industrial & Construction	<i>Unknown</i>
Linde Canada Limited	<i>Unknown</i>
Lindholm Vacuum Service Ltd.	<i>Unknown</i>
Lo-Cost Propane	<i>Unknown</i>
Manufacturers' Health & Safety Association	<i>Unknown</i>
Max Industrial Supply	<i>Unknown</i>
McMullen's Refrigeration & Heating	<i>Unknown</i>
Messer	<i>Unknown</i>
Metalex Metal Buildings Inc.	<i>Unknown</i>
MGM Transportation Ltd.	<i>Unknown</i>
Miller Petroleum	<i>Unknown</i>
MNP LLP	\$ 27,409.81
Muis Controls Ltd.	<i>Unknown</i>
Nisku Sales	<i>Unknown</i>
North & Company LLP	\$ 10,366.25
Power Engineering Books Ltd.	<i>Unknown</i>
Primary Flow Signal Canada	<i>Unknown</i>
Progressive Bearing & Hydraulic Ltd	<i>Unknown</i>
Purolator Inc.	\$ 36.00
R & R Stress Relieving Service Ltd.	<i>Unknown</i>
Red Associates Engineering Ltd	<i>Unknown</i>
Red Deer & District Chamber of Commerce	<i>Unknown</i>
Red Deer Bolt Ltd.	<i>Unknown</i>
Red Deer Bylaw Enforcement	\$ 65.00
Red Deer Valve & Fitting	<i>Unknown</i>
Red Deer Varsteel	<i>Unknown</i>
Reef Energy Services Canada Ltd.	<i>Unknown</i>
Rosenau Transport Ltd.	<i>Unknown</i>
Save X LP Gas Ltd	<i>Unknown</i>

**APPENDIX A  
LIST OF KNOWN CREDITORS  
IN THE MATTER OF THE RECEIVERSHIP OF  
AQUILA FABRICATION AND EQUIPMENT LTD., 965431 ALBERTA LTD., AND 1768192 ALBERTA LTD.**

<b>Creditor Name</b>	<b>Balance Owning</b>
Schlumberger Canada Limited	<i>Unknown</i>
Scottcan industries Ltd.	<i>Unknown</i>
Secure Enviro Systems Ltd.	<i>Unknown</i>
Servus Credit Union	\$ 1,500,000.00
Spartan Controls Ltd.	<i>Unknown</i>
Spencer Manufacturing Ltd	<i>Unknown</i>
Technical Safety Authority of Saskatchewan	<i>Unknown</i>
Technical Safety BC	<i>Unknown</i>
Telus Communications	<i>Unknown</i>
The Pipe Yard Ltd.	<i>Unknown</i>
Thermon Heating Systems Inc.	<i>Unknown</i>
Thomas Group Inc.	<i>Unknown</i>
Tom and Donna Trenerry	<i>Unknown</i>
Traction Heavy Duty Parts	<i>Unknown</i>
Tryson Energy Services Inc	<i>Unknown</i>
UFA Co-operative Limited	<i>Unknown</i>
Unified Valve Group Ltd	<i>Unknown</i>
Waste Connections of Canada Inc.	<i>Unknown</i>
Waste-Co Disposal Systems	<i>Unknown</i>
Water Blast Manufacturing LP	<i>Unknown</i>
WESCLEAN	<i>Unknown</i>
Westburne West	<i>Unknown</i>
Western Financial Group Insurance Solutions	<i>Unknown</i>
Wika Instruments Ltd	<i>Unknown</i>
Workers Compensation Board	\$ 1,093.75
XCEED Oilfield Supply Ltd.	<i>Unknown</i>
Zimco Instrumentation	<i>Unknown</i>

# BANKRUPTCY AND INSOLVENCY ACT

## Form 87

### Notice and Statement of the Receiver (Subsections 245(1) and 246(1) of the Act)

#### IN THE MATTER OF THE RECEIVERSHIP OF THE PROPERTY OF 965431 ALBERTA LTD.

#### The Receiver gives notice and declares that:

1. On the 18<sup>th</sup> day of October, 2019, the undersigned, KPMG Inc., became the receiver and manager (the “Receiver”) in respect of the assets, undertakings and properties of 965431 Alberta Ltd. (the “Company”). The property of the Company can be summarized as follows<sup>1</sup>:

	<b>Estimated Amount (CAD \$)</b>
Land and Building	1,930,000
<b>Total</b>	<b>1,930,000</b>

2. The undersigned became the Receiver in respect of the assets, undertakings and properties described above by virtue of being appointed by the Court of Queen’s Bench of Alberta File No. 1901-14034, Calgary Judicial Centre, dated October 18, 2019. A copy of the appointing order can be found on the receiver’s website at: <https://home.kpmg/ca/aquila>.
3. The undersigned took possession or control of the property described above on the 18<sup>th</sup> day of October, 2019.
4. The following information relates to the Receivership:
  - (a) Address of insolvent persons: 5200 Blindman Dr.  
Red Deer County, AB T4S 2M4
  - (b) Principal line of business: Manufacturing
  - (c) Locations of business: 5200 Blindman Dr.  
Red Deer County, AB T4S 2M4
  - (d) Estimated amount owed by the Company to each creditor who holds security on the property described above<sup>2</sup>:

	<b>Estimated Amount (CAD \$)</b>
Servus Credit Union	1,500,000
<b>Total</b>	<b>1,500,000</b>

<sup>1</sup> The above summary of estimated assets been provided by the Directors and shareholders. The Receiver has not seen supporting documentation for the valuation.

<sup>2</sup> Amount owing to Servus Credit Union is based on the Affidavit of Tom Trenerry dated October 7, 2019



*Notice and Statement of the Receiver (Subsections 245(1) and 246(1))*

- (e) The list of other creditors of the insolvent persons<sup>3</sup> and the amount owed to each creditor (to the extent that it is known) and the total amount due by the insolvent persons is attached to this notice as **Appendix “A”**.
- (f) The intended plan of action of the Receiver during the receivership, to the extent that such a plan has been determined, is as follows:
- To safeguard and preserve the property and equipment of the Company and eventually realize on that property, likely through auction or *en bloc* purchase;
  - To collect outstanding receivables; and
  - To realize on other assets, as appropriate.

(g) Contact Person for Receiver:

Cameron Browning  
KPMG Inc.  
Suite 3100, 205-5<sup>th</sup> Avenue SW  
Calgary, AB, T2P 4B9  
Telephone: (403) 691-8413  
Facsimile: (403) 691-8008  
Email: cbrowning@kpmg.ca

Sven Dedic  
KPMG Inc.  
Suite 4600, 333 Bay Street  
Toronto, ON, M5S 2H5  
Telephone: (416) 777-3091  
Facsimile: (416) 777-3364  
Email: svendedic@kpmg.ca

Dated at Calgary, Alberta, this 28<sup>th</sup> day of October, 2019.

**KPMG Inc.**, in its capacity as receiver and manager of  
965431 Alberta Ltd.  
and not in its personal or corporate capacity



Per: Neil Honess  
*Senior Vice President*

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<sup>2</sup> Amount owing to Servus Credit Union is based on the Affidavit of Tom Trenerry dated October 7, 2019

<sup>3</sup> The Company has only limited recent books and records, detailed general ledger and trial balances. The list of creditors has been generated from the Receiver's review of hard copy historic books and records.

**APPENDIX A**  
**LIST OF KNOWN CREDITORS**  
**IN THE MATTER OF THE RECEIVERSHIP OF**  
**AQUILA FABRICATION AND EQUIPMENT LTD., 965431 ALBERTA LTD., AND 1768192 ALBERTA LTD.**

<b>Creditor Name</b>	<b>Balance Owning</b>
ABSA	\$ 846.50
Acklands-Grainger INC.	<i>Unknown</i>
Action Media Plus	<i>Unknown</i>
Action Rentals	<i>Unknown</i>
Adams Steel Fabricators Ltd.	<i>Unknown</i>
AES Industrial Supplies Ltd.	<i>Unknown</i>
Alberta Industrial Metals	<i>Unknown</i>
All Blades Canada Inc.	<i>Unknown</i>
Apex Distribution Inc	<i>Unknown</i>
Asme	<i>Unknown</i>
Bank of Montreal	\$ 54,279.94
Bees Express Logistics	<i>Unknown</i>
Blue Diamond Design	<i>Unknown</i>
Burnett, Duckworth, Palmer	\$ 85,335.48
Canadian Natural Resources	<i>Unknown</i>
Canalta Controls Ltd.	<i>Unknown</i>
Canalta Controls Ltd.	\$ 6,723.33
CCI Thermal Technologies Inc	<i>Unknown</i>
Cloverdale Paint Inc.	<i>Unknown</i>
ComplyWorks Ltd.	<i>Unknown</i>
CVS Controls Ltd	<i>Unknown</i>
CWB Group	<i>Unknown</i>
D & M Align & Brake Ltd	<i>Unknown</i>
Digitex Canada Inc.	<i>Unknown</i>
Direct Energy Regulators	<i>Unknown</i>
DK-LOK Canada Ltd.	<i>Unknown</i>
ECHO NDE	<i>Unknown</i>
Eclipse Industries	<i>Unknown</i>
Eclipse Industries	\$ 787.50
Edge Marketing & Design	<i>Unknown</i>
Edmonton Exchanger	<i>Unknown</i>
ElectroGas Monitors	<i>Unknown</i>
Encana Corporation	<i>Unknown</i>
EPCOR	<i>Unknown</i>
Expert Security Solutions	<i>Unknown</i>
Ford Credit Canada	<i>Unknown</i>
Frank H. Monaghan Professional Corporation	\$ 4,690.00
GoDaddy Operating Company LLC	<i>Unknown</i>
Greatwest Kenworth Ltd	<i>Unknown</i>
Guytec Industries Ltd.	<i>Unknown</i>
Harvie Instruments Ltd.	<i>Unknown</i>

**APPENDIX A  
LIST OF KNOWN CREDITORS  
IN THE MATTER OF THE RECEIVERSHIP OF  
AQUILA FABRICATION AND EQUIPMENT LTD., 965431 ALBERTA LTD., AND 1768192 ALBERTA LTD.**

<b>Creditor Name</b>	<b>Balance Owing</b>
Hi-Tech Gaskets Inc.	<i>Unknown</i>
HSBC Bank Canada	<i>Unknown</i>
Intuit	<i>Unknown</i>
ISNetworld	<i>Unknown</i>
JCI Filtration & Seperation Inc.	<i>Unknown</i>
JRF Professional Crane Service Inc	<i>Unknown</i>
Keysource Corp.	<i>Unknown</i>
Kings Energy Services Ltd.	<i>Unknown</i>
Ko-Hen Electronics Supply Ltd.	<i>Unknown</i>
Lacombe Septic	<i>Unknown</i>
Lantzco Inc.	<i>Unknown</i>
Lee Specialty Seals Inc.	<i>Unknown</i>
LGI Industrial & Construction	<i>Unknown</i>
Linde Canada Limited	<i>Unknown</i>
Lindholm Vacuum Service Ltd.	<i>Unknown</i>
Lo-Cost Propane	<i>Unknown</i>
Manufacturers' Health & Safety Association	<i>Unknown</i>
Max Industrial Supply	<i>Unknown</i>
McMullen's Refrigeration & Heating	<i>Unknown</i>
Messer	<i>Unknown</i>
Metalex Metal Buildings Inc.	<i>Unknown</i>
MGM Transportation Ltd.	<i>Unknown</i>
Miller Petroleum	<i>Unknown</i>
MNP LLP	\$ 27,409.81
Muis Controls Ltd.	<i>Unknown</i>
Nisku Sales	<i>Unknown</i>
North & Company LLP	\$ 10,366.25
Power Engineering Books Ltd.	<i>Unknown</i>
Primary Flow Signal Canada	<i>Unknown</i>
Progressive Bearing & Hydraulic Ltd	<i>Unknown</i>
Purolator Inc.	\$ 36.00
R & R Stress Relieving Service Ltd.	<i>Unknown</i>
Red Associates Engineering Ltd	<i>Unknown</i>
Red Deer & District Chamber of Commerce	<i>Unknown</i>
Red Deer Bolt Ltd.	<i>Unknown</i>
Red Deer Bylaw Enforcement	\$ 65.00
Red Deer Valve & Fitting	<i>Unknown</i>
Red Deer Varsteel	<i>Unknown</i>
Reef Energy Services Canada Ltd.	<i>Unknown</i>
Rosenau Transport Ltd.	<i>Unknown</i>
Save X LP Gas Ltd	<i>Unknown</i>

**APPENDIX A  
LIST OF KNOWN CREDITORS  
IN THE MATTER OF THE RECEIVERSHIP OF  
AQUILA FABRICATION AND EQUIPMENT LTD., 965431 ALBERTA LTD., AND 1768192 ALBERTA LTD.**

<b>Creditor Name</b>	<b>Balance Owning</b>
Schlumberger Canada Limited	<i>Unknown</i>
Scottcan industries Ltd.	<i>Unknown</i>
Secure Enviro Systems Ltd.	<i>Unknown</i>
Servus Credit Union	\$ 1,500,000.00
Spartan Controls Ltd.	<i>Unknown</i>
Spencer Manufacturing Ltd	<i>Unknown</i>
Technical Safety Authority of Saskatchewan	<i>Unknown</i>
Technical Safety BC	<i>Unknown</i>
Telus Communications	<i>Unknown</i>
The Pipe Yard Ltd.	<i>Unknown</i>
Thermon Heating Systems Inc.	<i>Unknown</i>
Thomas Group Inc.	<i>Unknown</i>
Tom and Donna Trenerry	<i>Unknown</i>
Traction Heavy Duty Parts	<i>Unknown</i>
Tryson Energy Services Inc	<i>Unknown</i>
UFA Co-operative Limited	<i>Unknown</i>
Unified Valve Group Ltd	<i>Unknown</i>
Waste Connections of Canada Inc.	<i>Unknown</i>
Waste-Co Disposal Systems	<i>Unknown</i>
Water Blast Manufacturing LP	<i>Unknown</i>
WESCLEAN	<i>Unknown</i>
Westburne West	<i>Unknown</i>
Western Financial Group Insurance Solutions	<i>Unknown</i>
Wika Instruments Ltd	<i>Unknown</i>
Workers Compensation Board	\$ 1,093.75
XCEED Oilfield Supply Ltd.	<i>Unknown</i>
Zimco Instrumentation	<i>Unknown</i>

# BANKRUPTCY AND INSOLVENCY ACT

## Form 87

### Notice and Statement of the Receiver (Subsections 245(1) and 246(1) of the Act)

#### IN THE MATTER OF THE RECEIVERSHIP OF THE PROPERTY OF 1768192 ALBERTA LTD.

#### The Receiver gives notice and declares that:

1. On the 18<sup>th</sup> day of October, 2019, the undersigned, KPMG Inc., became the receiver and manager (the “**Receiver**”) in respect of the assets, undertakings and properties of 1768192 Alberta Ltd. (the “**Company**”). The property of the Company can be summarized as follows<sup>1</sup>:

	<b>Estimated Amount (CAD \$)</b>
Shares of 965431 Alberta Ltd.	-
<b>Total</b>	<b>-</b>

2. The undersigned became the Receiver in respect of the assets, undertakings and properties described above by virtue of being appointed by the Court of Queen’s Bench of Alberta File No. 1901-14034, Calgary Judicial Centre, dated October 18, 2019. A copy of the appointing order can be found on the receiver’s website at: <https://home.kpmg/ca/aquila>.
3. The undersigned took possession or control of the property described above on the 18<sup>th</sup> day of October, 2019.
4. The following information relates to the Receivership:
  - (a) Address of insolvent persons: 5200 Blindman Dr.  
Red Deer County, AB T4S 2M4
  - (b) Principal line of business: Holding company
  - (c) Locations of business: 5200 Blindman Dr.  
Red Deer County, AB T4S 2M4
  - (d) Estimated amount owed by the Company to each creditor who holds security on the property described above<sup>2</sup>:

	<b>Estimated Amount (CAD \$)</b>
Servus Credit Union	1,500,000
<b>Total</b>	<b>1,500,000</b>

<sup>1</sup> The above summary of estimated assets has been prepared based on affidavit of Tom Trenerry dated October 7, 2019. There is no value attributable to the shares.

<sup>2</sup> Amount owing to Servus Credit Union is based on the Affidavit of Tom Trenerry dated October 7, 2019.

*Notice and Statement of the Receiver (Subsections 245(1) and 246(1))*

- (e) The list of other creditors of the insolvent persons<sup>3</sup> and the amount owed to each creditor (to the extent that it is known) and the total amount due by the insolvent persons is attached to this notice as **Appendix “A”**.
- (f) The intended plan of action of the Receiver during the receivership, to the extent that such a plan has been determined, is as follows:
- To safeguard and preserve the property and equipment of the Company and eventually realize on that property, likely through auction or *en bloc* purchase;
  - To collect outstanding receivables; and
  - To realize on other assets, as appropriate.

(g) Contact Person for Receiver:

Cameron Browning  
KPMG Inc.  
Suite 3100, 205-5<sup>th</sup> Avenue SW  
Calgary, AB, T2P 4B9  
Telephone: (403) 691-8413  
Facsimile: (403) 691-8008  
Email: cbrowning@kpmg.ca

Sven Dedic  
KPMG Inc.  
Suite 4600, 333 Bay Street  
Toronto, ON, M5S 2H5  
Telephone: (416) 777-3091  
Facsimile: (416) 777-3364  
Email: svendedic@kpmg.ca

Dated at Calgary, Alberta, this 28<sup>th</sup> day of October, 2019.

**KPMG Inc.**, in its capacity as receiver and manager of  
1768192 Alberta Ltd.  
and not in its personal or corporate capacity



Per: Neil Honess  
*Senior Vice President*

---

<sup>3</sup> The Company has only limited recent books and records, detailed general ledger and trial balances. The list of creditors has been generated from the Receiver's review of hard copy historic books and records.

**APPENDIX A**  
**LIST OF KNOWN CREDITORS**  
**IN THE MATTER OF THE RECEIVERSHIP OF**  
**AQUILA FABRICATION AND EQUIPMENT LTD., 965431 ALBERTA LTD., AND 1768192 ALBERTA LTD.**

<b>Creditor Name</b>	<b>Balance Owning</b>
ABSA	\$ 846.50
Acklands-Grainger INC.	<i>Unknown</i>
Action Media Plus	<i>Unknown</i>
Action Rentals	<i>Unknown</i>
Adams Steel Fabricators Ltd.	<i>Unknown</i>
AES Industrial Supplies Ltd.	<i>Unknown</i>
Alberta Industrial Metals	<i>Unknown</i>
All Blades Canada Inc.	<i>Unknown</i>
Apex Distribution Inc	<i>Unknown</i>
Asme	<i>Unknown</i>
Bank of Montreal	\$ 54,279.94
Bees Express Logistics	<i>Unknown</i>
Blue Diamond Design	<i>Unknown</i>
Burnett, Duckworth, Palmer	\$ 85,335.48
Canadian Natural Resources	<i>Unknown</i>
Canalta Controls Ltd.	<i>Unknown</i>
Canalta Controls Ltd.	\$ 6,723.33
CCI Thermal Technologies Inc	<i>Unknown</i>
Cloverdale Paint Inc.	<i>Unknown</i>
ComplyWorks Ltd.	<i>Unknown</i>
CVS Controls Ltd	<i>Unknown</i>
CWB Group	<i>Unknown</i>
D & M Align & Brake Ltd	<i>Unknown</i>
Digitex Canada Inc.	<i>Unknown</i>
Direct Energy Regulators	<i>Unknown</i>
DK-LOK Canada Ltd.	<i>Unknown</i>
ECHO NDE	<i>Unknown</i>
Eclipse Industries	<i>Unknown</i>
Eclipse Industries	\$ 787.50
Edge Marketing & Design	<i>Unknown</i>
Edmonton Exchanger	<i>Unknown</i>
ElectroGas Monitors	<i>Unknown</i>
Encana Corporation	<i>Unknown</i>
EPCOR	<i>Unknown</i>
Expert Security Solutions	<i>Unknown</i>
Ford Credit Canada	<i>Unknown</i>
Frank H. Monaghan Professional Corporation	\$ 4,690.00
GoDaddy Operating Company LLC	<i>Unknown</i>
Greatwest Kenworth Ltd	<i>Unknown</i>
Guytec Industries Ltd.	<i>Unknown</i>
Harvie Instruments Ltd.	<i>Unknown</i>

**APPENDIX A**  
**LIST OF KNOWN CREDITORS**  
**IN THE MATTER OF THE RECEIVERSHIP OF**  
**AQUILA FABRICATION AND EQUIPMENT LTD., 965431 ALBERTA LTD., AND 1768192 ALBERTA LTD.**

<b>Creditor Name</b>	<b>Balance Owing</b>
Hi-Tech Gaskets Inc.	<i>Unknown</i>
HSBC Bank Canada	<i>Unknown</i>
Intuit	<i>Unknown</i>
ISNetworld	<i>Unknown</i>
JCI Filtration & Seperation Inc.	<i>Unknown</i>
JRF Professional Crane Service Inc	<i>Unknown</i>
Keysource Corp.	<i>Unknown</i>
Kings Energy Services Ltd.	<i>Unknown</i>
Ko-Hen Electronics Supply Ltd.	<i>Unknown</i>
Lacombe Septic	<i>Unknown</i>
Lantzco Inc.	<i>Unknown</i>
Lee Specialty Seals Inc.	<i>Unknown</i>
LGI Industrial & Construction	<i>Unknown</i>
Linde Canada Limited	<i>Unknown</i>
Lindholm Vacuum Service Ltd.	<i>Unknown</i>
Lo-Cost Propane	<i>Unknown</i>
Manufacturers' Health & Safety Association	<i>Unknown</i>
Max Industrial Supply	<i>Unknown</i>
McMullen's Refrigeration & Heating	<i>Unknown</i>
Messer	<i>Unknown</i>
Metalex Metal Buildings Inc.	<i>Unknown</i>
MGM Transportation Ltd.	<i>Unknown</i>
Miller Petroleum	<i>Unknown</i>
MNP LLP	\$ 27,409.81
Muis Controls Ltd.	<i>Unknown</i>
Nisku Sales	<i>Unknown</i>
North & Company LLP	\$ 10,366.25
Power Engineering Books Ltd.	<i>Unknown</i>
Primary Flow Signal Canada	<i>Unknown</i>
Progressive Bearing & Hydraulic Ltd	<i>Unknown</i>
Purolator Inc.	\$ 36.00
R & R Stress Relieving Service Ltd.	<i>Unknown</i>
Red Associates Engineering Ltd	<i>Unknown</i>
Red Deer & District Chamber of Commerce	<i>Unknown</i>
Red Deer Bolt Ltd.	<i>Unknown</i>
Red Deer Bylaw Enforcement	\$ 65.00
Red Deer Valve & Fitting	<i>Unknown</i>
Red Deer Varsteel	<i>Unknown</i>
Reef Energy Services Canada Ltd.	<i>Unknown</i>
Rosenau Transport Ltd.	<i>Unknown</i>
Save X LP Gas Ltd	<i>Unknown</i>



**APPENDIX A  
LIST OF KNOWN CREDITORS  
IN THE MATTER OF THE RECEIVERSHIP OF  
AQUILA FABRICATION AND EQUIPMENT LTD., 965431 ALBERTA LTD., AND 1768192 ALBERTA LTD.**

<b>Creditor Name</b>	<b>Balance Owning</b>
Schlumberger Canada Limited	<i>Unknown</i>
Scottcan industries Ltd.	<i>Unknown</i>
Secure Enviro Systems Ltd.	<i>Unknown</i>
Servus Credit Union	\$ 1,500,000.00
Spartan Controls Ltd.	<i>Unknown</i>
Spencer Manufacturing Ltd	<i>Unknown</i>
Technical Safety Authority of Saskatchewan	<i>Unknown</i>
Technical Safety BC	<i>Unknown</i>
Telus Communications	<i>Unknown</i>
The Pipe Yard Ltd.	<i>Unknown</i>
Thermon Heating Systems Inc.	<i>Unknown</i>
Thomas Group Inc.	<i>Unknown</i>
Tom and Donna Trenerry	<i>Unknown</i>
Traction Heavy Duty Parts	<i>Unknown</i>
Tryson Energy Services Inc	<i>Unknown</i>
UFA Co-operative Limited	<i>Unknown</i>
Unified Valve Group Ltd	<i>Unknown</i>
Waste Connections of Canada Inc.	<i>Unknown</i>
Waste-Co Disposal Systems	<i>Unknown</i>
Water Blast Manufacturing LP	<i>Unknown</i>
WESCLEAN	<i>Unknown</i>
Westburne West	<i>Unknown</i>
Western Financial Group Insurance Solutions	<i>Unknown</i>
Wika Instruments Ltd	<i>Unknown</i>
Workers Compensation Board	\$ 1,093.75
XCEED Oilfield Supply Ltd.	<i>Unknown</i>
Zimco Instrumentation	<i>Unknown</i>

**APPENDIX “C”**

**Request for Proposal Newspaper Advertisement Tear Sheet**



Place your condolences online. (Visit your local newspaper website, obituary page)

**QUESNEL, Mira**

1929 - 2019



Mrs. Mira Emilia Quesnel of Red Deer, Alberta passed away on Wednesday, November 6, 2019 at the age of 90 years. Prayers will be held at Parkland Funeral Home, 6287 - 67 A Street (Taylor Drive), Red Deer, Alberta on Monday, November 18, 2019 at 7:00 p.m. Funeral Mass will be celebrated at St. Mary's Catholic Church, 6 McMillan Avenue, Red Deer, Alberta on Tuesday, November 19, 2019 at 11:00 a.m. with The Reverend Father Mirek Kostarzewski Celebrant. Interment will follow at the Alto Reste Cemetery, Red Deer, Alberta. If desired, Memorial Donations in Mira's honor may be made directly to the Red Deer Regional Health Foundation at www.rdrhfoundation.com. Condolences

may be sent or viewed at www.parklandfuneralhome.com. Arrangements in care of Parkland Funeral Home and Crematorium, 6287 - 67 A Street (Taylor Drive), Red Deer. 403.340.4040.



Legal Notices

Legal Notices

Legal Notices

**REQUEST FOR PROPOSALS**

**TO PURCHASE THE ASSETS OF AQUILA FABRICATION AND EQUIPMENT LTD., 965431 ALBERTA LTD., AND 1768192 ALBERTA LTD.**

Pursuant to an order of the Court of Queen's Bench of Alberta (the "Court") made October 18, 2019, KPMG Inc. in its capacity as Court-appointed receiver (the "Receiver") of Aquila Fabrication and Equipment Ltd., 965431 Alberta Ltd., and 1768192 Alberta Ltd. (collectively, the "Company"), is soliciting written proposals for the acquisition of the Company's assets, either en bloc or parts thereof.

The Company provided manufacturing and fabrication solutions to the upstream oil and gas industry. They specialized in the manufacturing of pressure vessels, piping systems, storage tanks and various structural fabrication. The Company's headquarters and operations were in Red Deer County, Alberta. Primary assets offered for sale include the following:

- Metal fabrication equipment;
- Materials, supplies, and small tools;
- Vehicles and trailers; and
- Other miscellaneous movable property of the Company.

The assets are being sold on an "as is-where is" basis and the Receiver provides no representations or warranties, express or implied, with respect to title, condition or fitness for use.

Interested parties must submit an executed confidentiality agreement to the Receiver in order to participate in the process and are required to submit initial bids by no later than 4:00 p.m. (MST) on Friday November 29, 2019.

To obtain further details about Company's assets, or the process in general, please contact Cameron Browning at +1 (403) 691-8413 or [cbrowning@kpmg.ca](mailto:cbrowning@kpmg.ca) and/or visit the Receiver's website ([home.kpmg.ca/aquila](http://home.kpmg.ca/aquila)).

KPMG INC., in its capacity as Court-appointed Receiver of  
**Aquila Fabrication and Equipment Ltd.,**  
**965431 Alberta Ltd., and 1768192 Alberta Ltd.**  
**3100 - 205 5th Avenue SW**  
**Calgary, Alberta T2P 4B9**

**JOHANSON, Dorothea Grace**

January 22, 1936 - November 8, 2019

Dorothea Johanson of Calgary, AB, passed away on Friday, November 8, 2019 at the age of 83 years.

Dorothea was born in Red Deer, Alberta on January 22, 1936. She pursued her musical education at the Canadian Nazarene College in Red Deer, then studied piano with Gladys Egbert in Calgary and with Boris Roubakine at the Banff School of Fine Arts. She was an active member of many organizations including the Canadian Federation of Music Teachers (Provincial Representative), Alberta Registered Music Teachers' Association (President), Calgary Arts Summer School Association (Treasurer & Special Projects Convenor Emeritus), Alberta Piano Teachers Association and The Canadian Club. She proudly volunteered with the Calgary Arts Summer Camp, the Canadian Club, the Honens Piano Competition and provided students for Downtown Piano on-the-Mall performances. Dorothea was a self-employed private piano teacher for more than 50 years in Calgary. Her colleagues admired her for her unique student recitals and respected her as an exceptional musician and teacher who created many enthusiastic musicians. "She was a personal example of elegance and excellence. A big thank you goes to Dorothea for the great blessing we all received just by knowing her".

Dorothea accomplished much through her life and although she had no children of her own, she was especially proud of her students and their successes! She also took a special interest in her sister's children and their children. Her faithfulness in honoring their achievements and remembering special occasions will always be fondly remembered. Dorothea enjoyed a passion for photography, annual trips to the mountains, as well as season tickets to the opera and symphony concerts. Dorothea's most memorable vacation was when she and her sister, Ethel, traveled to Sweden, the homeland of their paternal grandparents in 2014. Visiting with family, experiencing Swedish traditions again and seeing Bache, the location where



Grandma and Grampa Johanson had lived, was a treasured memory. One of Dorothea's favourite quotes was, "Don't cry for me, for I go to where music is born". (Last words of J.S. Bach 1685 - 1750). She will be most remembered for her welcoming smile and gracious living!

Dorothea is survived by her sister Ethel Magnus of Salt Spring Island, B C and nieces, nephews, cousins, and numerous friends.

Dorothea was predeceased by her parents, Oscar and Faith Johanson of Burnt Lake; grandparents, Erik and Dorothea Johanson, John and Margaret Moseley; and brother-in-law John Magnus.

Those wishing to pay their respects may do so at First Church of the Nazarene (65 Richard Way S.W., Calgary, AB) on Friday, November 22, 2019 at 1:00 p.m.

Funeral Services will be held at First Church of the Nazarene (65 Richard Way S.W., Calgary, AB) on Friday, November 22, 2019 at 2:00 p.m. Reception to follow in the Fireside Room. Graveside Service will be held on a later date. Condolences may be forwarded through [www.McInnisandHolloway.com](http://www.McInnisandHolloway.com).

The family would like to thank the Chinook Care Centre for their kind and gentle care of Dorothea in her last year of life; family members, especially Margaret Fehr; Melva Sanguinetti and the many friends who faithfully visited and inspired her with stories, humor, music, and devotional times; Pastor Blain and the Nazarene Church; her beloved music colleagues, and Chris Smith for his friendship and conscientious attention to details.

A tree will be planted in living memory of Dorothea Johanson. McInnis and Holloway Funeral Homes, Park Memorial, 5008 Elbow Drive S.W., Calgary, AB T2S 2L5, Telephone: 403-243-8200.



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 1.250.861.6002



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 Saturday 16<sup>th</sup>  
 Sunday 17<sup>th</sup>  
 12:00 p.m. - 6:00 p.m.  
 403-391-9313

**APPENDIX “D”**

**GD Auction & Appraisal Purchase and Sale Agreement (Redacted)**

**KPMG INC., SOLELY IN ITS CAPACITY AS THE RECEIVER OF THE UNDERTAKINGS,  
PROPERTY AND ASSETS OF AQUILA FABRICATION AND EQUIPMENT LTD., 965431  
ALBERTA LTD. AND 1768192 ALBERTA LTD. AND NOT IN ITS PERSONAL CAPACITY OF  
CORPORATE CAPACITY**

- and -

**GD AUCTIONS & APPRAISALS INC.**

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ASSET PURCHASE AND SALE AGREEMENT

JANUARY 9, 2020

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## ASSET PURCHASE AND SALE AGREEMENT

**THIS ASSET PURCHASE AND SALE AGREEMENT** is made as of the 9th day of January, 2020.

### **BETWEEN:**

KPMG INC., SOLELY IN ITS CAPACITY AS THE RECEIVER OF THE UNDERTAKINGS, PROPERTY AND ASSETS OF AQUILA FABRICATION AND EQUIPMENT LTD., 965431 ALBERTA LTD. AND 1768192 ALBERTA LTD. AND NOT IN ITS PERSONAL CAPACITY OF CORPORATE CAPACITY

(herein referred to as the "**Vendor**")

- and -

GD AUCTIONS & APPRAISALS INC., A CORPORATION INCORPORATED UNDER THE LAWS OF THE PROVINCE OF ALBERTA

(hereinafter referred to as the "**Purchaser**")

### **WHEREAS:**

- A. Pursuant to the Receivership Order, the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtors; and
- B. The Purchaser, subject to Court Approval, and the Vendor has agreed to sell, transfer and assign to the Purchaser, all of the right, title and interest of the Vendor in and to the Purchased Assets, on the terms and conditions set forth herein;

**NOW THEREFORE** this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each Party to the other, the Parties agree as follows.

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

In this Agreement the following words and terms shall have the meaning set forth below:

- (a) "**Affiliate**" means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person and the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership of more than fifty (50%) percent of the voting securities of such Person, through being



the general partner or trustee of the other Person, or through contract or otherwise;

- (b) **"Agreement"** means this asset purchase and sale agreement and all Schedules attached hereto, as they may be amended, restated or supplemented from time to time in accordance with the terms hereof;
- (c) **"Approval and Vesting Order"** shall mean an order of the Court: (i) approving the Transaction contemplated by this Agreement; (ii) authorizing the Vendor to perform this Agreement; (iii) vesting and assigning all right, title and interest of the Vendor and Debtors in and to the Purchased Assets to the Purchaser free and clear of all Claims (other than Permitted Encumbrances) and assigning all rights, title and interest of the Vendor and Debtors in the Purchased Assets to the Purchaser, in a form acceptable to the Vendor and the Purchaser;
- (d) **"Applicable Law"** means, in respect of any Person, assets, transaction, event or circumstance:
  - (i) statutes (including regulations enacted thereunder);
  - (ii) judgments, decrees and orders of courts of competent jurisdiction;
  - (iii) regulations, orders, ordinances and directives issued by Government Authorities; and
  - (iv) the terms and conditions of all permits, licenses, approvals and authorizations; which are applicable to such Person, asset, transaction, event or circumstance;
- (e) **"Applicable Privacy Law"** means all Applicable Law relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including the *Personal Information Protection and Electronic Documents Act* (Canada), and/or any comparable provincial law such as the *Personal Information Protection Act* (Alberta);
- (f) **"Business"** means the production and manufacturing business as conducted by Aquila Fabrication and Equipment Ltd. immediately prior to the Receivership Order and as currently being conducted by the Vendor;
- (g) **"Business Day"** means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Calgary, Alberta are not open for the transaction of domestic business during normal banking hours;
- (h) **"Claim"** means any right or claim of any person that may be asserted or made, in whole or in part, against the Debtors and their respective directors, officers, employees, agents or advisors, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by

reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, together with any other rights or claims of any kind that, if unsecured, would be a debt provable in bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada) had the Debtors become bankrupt;

- (i) **"Closing"** means the completion of the purchase by the Purchaser and sale by the Vendor of all right, title, estate and interest of Vendor in and to the Purchased Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such sale, all subject to and in accordance with the terms and conditions of this Agreement;
- (j) **"Closing Date"** means the date that is the later of: (i) three (3) Business Days following the later of the receipt by the Vendor of the Court Approval; and (ii) such other Business Day as the Parties may agree in writing;
- (k) **"Contracts"** means all contracts, agreements, leases, understandings and arrangements (whether oral or written) related to the Business to which any one or more of the Debtors are a party or by which any one or more Debtors or any of the Purchased Assets is bound or under which any one or more of the Debtors have rights;
- (l) **"Court"** means the Court of Queen's Bench of Alberta, in the Judicial District of Calgary, Alberta;
- (m) **"Court Approval"** means the approval of the Transaction by the Court pursuant to the Approval and Vesting Order;
- (n) **"Court Order"** means the Approval and Vesting Order;
- (o) **"Debtors"** means collectively Aquila Fabrication and Equipment Ltd., 965431 Alberta Ltd., and 1768192 Alberta Ltd. and all having as its Court appointed receiver and manager, KPMG Inc.;
- (p) **"Delivery Location"** means the Facility as defined in Section 4.1;
- (q) **"Effective Time"** means 12:01 a.m. (Calgary time) on the Closing Date;
- (r) **"Encumbrances"** means any liens, security interests, encumbrances, claims, charges, mortgages, adverse Claims, options or other pre-emptive interests or rights;

- (s) **"Environment"** means the components of the earth and includes ambient air, land, surface and sub-surface strata, groundwater, surface water, all layers of the atmosphere, all organic and inorganic matter and living organisms, and the interacting natural systems that include such components; and "Environmental" means relating to or in respect of the Environment;
- (t) **"Equipment"** means, collectively, all of the equipment, motor vehicles, rolling stock, implements, tools, furniture and other personal tangible property as more particularly listed and described in Schedule 1.1(aa);
- (u) **"Excluded Assets"** means:
  - (i) all assets held by the Vendor on behalf of the Debtors that are not included in the Purchased Assets;
  - (ii) the excluded assets, if any, as set forth in and described Schedule 1.1(bb); and
  - (iii) the rights of the Vendor under this Agreement or any other agreement, certificate or instrument executed and delivered pursuant to this Agreement;
- (v) **"Final Order"** means an order of the Court that has not been vacated, stayed, set aside, amended, reversed, annulled or modified, as to which no appeal or application for leave to appeal therefrom has been filed or if any appeal(s) or application(s) for leave to appeal therefrom have been filed, any (and all) such appeal(s) or application(s) have been dismissed, quashed, determined, withdrawn or disposed of with no further right of appeal and all opportunities for rehearing, reargument, petition for certiorari and appeal being exhausted or having expired without any appeal, motion or petition having been filed and remaining pending, any requests for rehearing have been denied, and no order having been entered and remaining pending staying, enjoining, setting aside, annulling, reversing, remanding, or superseding the same, and all conditions to effectiveness prescribed therein or otherwise by Applicable Law or order having been satisfied;
- (w) **"GAAP"** means, at any time, accounting principles generally accepted in Canada applicable to including those recommended or approved by the Canadian Institute of Chartered Accountants at the relevant time including to the extent applicable, international financial reporting standards;
- (x) **"General Conveyance"** means a bill of sale and general conveyance, substantially in the form attached hereto as Schedule A, evidencing the conveyance to the Purchaser of the Vendor's right, title and interest in and to the Purchased Assets;
- (y) **"Governmental Authority"** means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to,

government, having jurisdiction over a Party, the Purchased Assets or the Transaction;

- (z) **"Governmental Order"** means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority;
- (aa) **"GST"** means taxes, interest, penalties and fines imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "GST Legislation" means such act and regulations collectively;
- (bb) **"Income Tax Act"** means, collectively, the *Income Tax Act*, R.S.C. 1985, c.1 (5<sup>th</sup> Supplement), the *Income Tax Application Rules*, R.S.C. 1985, c.2 (5<sup>th</sup> Supplement) and the *Income Tax Regulations*, in each case as amended to the date hereof;
- (cc) **"Legal Proceeding"** means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (dd) **"Losses and Liabilities"** means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or Governmental Order and those arising under any contract, agreement, arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis)
- (ee) **"Parties"** means, collectively, the Purchaser and the Vendor, and "Party" means any one of them;
- (ff) **"Permitted Encumbrances"** means:
  - (i) Encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business but only insofar as they relate to any obligations or amounts not due as at the Closing Date;
  - (ii) any privilege in favour of any lessor, licensor or permitter for rent to become due or for other obligations or acts, the performance of which is required under Assumed Contracts so long as the payment or the performance of such other obligation or act is not delinquent and provided that such Encumbrances or privileges do not materially affect the use or the operation of the assets affected thereby; and
  - (iii) any Encumbrances permitted by an order of the Court;

- (gg) **"Person"** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity however designated or instituted;
- (hh) **"Personal Information"** means information about an identifiable natural Person, but does not include the business contact information when such information is used to contact such natural Person as a representative of a business or the name, title, business address or telephone number of an employee of the Vendor, that is to be disclosed to the Purchaser at Closing or that was disclosed to the Purchaser to permit the Purchaser to carry out its due diligence in connection with the Transaction;
- (ii) **"Prime Rate"** means the rate of interest, expressed as a rate per annum, designated by the main branch in Calgary, Alberta of the Bank of Montreal as the reference rate used by it to determine rates of interest charged by it on Canadian dollar commercial loans made in Canada and which is announced by such bank, from time to time, as its prime rate, provided that whenever such bank announces a change in such reference rate then the "Prime Rate" for the purposes of this Agreement shall correspondingly change effective on the date the change in such reference rate is effective;
- (jj) **"Purchased Assets"** means all the Equipment;

For certainty, the Excluded Assets are not part of the Transaction, are excluded from Purchased Assets and remain the exclusive property of the Vendor.

- (kk) **"Purchase Price"** has the meaning ascribed to that term in Section 3.1;
- (ll) **"Purchaser"** has the meaning ascribed to that term in the recitals hereto;
- (mm) **"Receivership Order"** means the order of the Alberta Court, dated October 18, 2019, pursuant to which KPMG Inc. was appointed as the receiver and manager of all of the current and future assets, undertakings and properties of every nature or kind whatsoever and wheresoever situate, of the Debtors;
- (nn) **"Receivership Proceedings"** means the court proceedings brought in the Court, pursuant to Court Action No. 1901-14034, Judicial Centre of Calgary, filed on October 18, 2019, pursuant to which KPMG Inc. was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate of the Debtors;
- (oo) **"Representative"** means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, professional advisor and other representative of such person and its Affiliates, and with respect to the Vendor, includes the directors, officers, employees, agents, legal counsel, accountants, professional advisors and other representatives;
- (pp) **"Specific Conveyances"** means all conveyances, bills of sale, assignments, transfers, and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's interest in and to the Purchased Assets to the Purchaser including a bill of sale for the Equipment forming part of the Purchased Assets;

- (qq) **"Tax Legislation"** means, collectively, the Income Tax Act, all Canadian federal, provincial, territorial, county, municipal and local, foreign, or other statutes, ordinances or regulations imposing a Tax, including all treaties, conventions, rules, regulations, orders, and decrees of any jurisdiction;
- (rr) **"Tax" or "Taxes"** means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable Tax Legislation, including, Canadian and federal, provincial, territorial, county, municipal and local, foreign or other income, capital, capital gains, goods and services, sales, use, consumption, excise, value added (including GST, Harmonized Sales Tax and provincial and retail sales taxes), business, real property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, customs, import, anti-dumping or countervailing duties, Canada Pension Plan contributions, Employment Insurance premiums, and provincial workers' compensation payments, levy, assessment, tariff, impost, imposition, toll and duty, whether computed on a separate, combined, unitary, or consolidated basis or any other manner, including any interest, penalties and fines associated therewith;
- (ss) **"Third Party"** means any person who is not a Party, Affiliate or Representative;
- (tt) **"Third Party Claim"** means any Claim by a Third Party asserted against the Vendor for which the Purchaser has indemnified the Vendor or is otherwise responsible for pursuant to this Agreement;
- (uu) **"Time of Closing"** means 2:00 p.m. (Calgary, Alberta time) on the Closing Date or such other date and time as the Parties may agree in writing that the Closing shall take place;
- (vv) **"Transaction"** means the transaction for the purchase and sale of the Purchased Assets as contemplated in this Agreement;
- (ww) **"Transaction Personal Information"** means any Personal Information in the possession, custody or control of the Vendor including Personal Information about employees, suppliers, customers, directors, officers or shareholders of the Debtors that is:
- (i) disclosed to the Purchaser or its Representatives before the Effective Time by the Vendor, its Representatives, or otherwise; or
  - (ii) collected by the Purchaser or its Representatives before the Effective Time from the Vendor, its Representatives, or otherwise;

in each case in connection with the Transaction;

- (xx) **"Transfer Taxes"** means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale,

transfer or registration of the transfer of the Purchased Assets, including GST and harmonized sales tax and, for greater certainty, not including income taxes;

- (yy) **"Vendor"** has the meaning ascribed to that term in the recitals hereto;
- (zz) **"Vendor's Solicitors"** means the law firm of MLT Aikins LLP, or such other firm or firms of solicitors as are appointed by the Vendor from time to time and notice of which is provided to the Purchaser; and

## 1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) All references to monetary amounts, unless indicated to the contrary, are to the lawful currency of Canada and all references to cash are references to any form of immediately available funds by way of wire transfer, certified cheque or bank draft.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) The word "include" and derivatives thereof shall be read as if followed by the phrase "without limitation".
- (d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.
- (h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.

### 1.3 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof;

Schedule 1.1(aa)	Equipment
Schedule 1.1(bb)	Excluded Assets
Schedule 3.3	Allocation of Purchase Price
Schedule 7.3	Form of Officer's Certificate
Schedule A	Form of Bill of Sale and General Conveyance

### 1.4 Interpretation if Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Purchased Assets shall be construed as having been contingent upon Closing having occurred.

## ARTICLE 2 PURCHASE AND SALE OF PURCHASED ASSETS

### 2.1 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement and effective as of the Effective Time, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase, accept and receive from the Vendor, all of the Vendor's right, title and interest in and to Purchased Assets and the Business as herein provided, in each case free and clear of all Encumbrances and Claims (other than Permitted Encumbrances) and to assume, discharge and perform the Assumed Liabilities.

### 2.2 Transfer of Purchased Assets

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk and beneficial ownership of the Purchased Assets and Business shall transfer from the Vendor to the Purchaser on the Closing Date effective as of the Effective Time.

## ARTICLE 3 PURCHASE PRICE

### 3.1 Purchase Price

In consideration of the sale, assignment, transfer and conveyance of the Purchased Assets to the Purchaser, the purchase price to be paid by the Purchaser to the Vendor for the Purchased Assets shall be the sum of [REDACTED] plus GST (collectively, the "**Purchase Price**"), subject to adjustment only as set forth in Section 4.1 hereof.

### 3.2 Satisfaction of the Purchase Price and Debt

At Closing, the Purchase Price shall be paid and satisfied an amount in cash.



### **3.3 Allocation of the Purchase Price**

The Purchase Price shall be allocated among the Purchased Assets as set forth in Schedule 3.3.

## **ARTICLE 4 – Auction of the Purchased Assets by Purchaser**

### **4.1 Auction of Purchased Assets**

The Purchaser shall have the right to auction (the “**Auction**”) the Purchased Assets at the facility (the “**Facility**”) of the Vendor located at 5200 & 5204 Blindman Dr. Red Deer County, AB T4S 2M4.

The Purchaser shall have free use of the Facility, which use shall include rent, occupancy costs, property taxes, utilities, telephone, business tax until March 31, 2020. The Facility shall be left in broom swept condition upon vacating.

The Purchaser will be permitted the use of the “Aquila Fabrication and Equipment Ltd.” name in advertising an auction and liquidation sale.

The Purchaser will setup, inventory, clean as needed, catalogue and photograph the Purchased Assets for Auction.

The Purchaser shall be responsible for all merchant charges associated with the Auction.

The Purchaser will have the option of adding any other assets to enhance the Auction.

The Purchaser shall and hereby agrees to defend, indemnify, and hold harmless the Vendor and their officers, directors, agents, employees and principals from and against any and all known or unknown losses, damages, liabilities, claims, actions, judgments, penalties, fines, court costs and legal or other expenses which the Vendor may incur as a direct or indirect consequence of: (i) grossly negligent or intentional acts or omissions of Purchaser or its agents, employees, representatives and principals in connection with the Auction or the removal of the Purchased Assets from the Facility; and/or (ii) any claims asserted by Purchaser’s supervisors, employees or agents, including Purchaser’s employees’ or agents’ payroll claims (wage claims, claims for taxes required to be withheld from wages, social security, etc.), or unemployment compensation claims.

The Purchaser shall be responsible for obtaining, in the name of and with the assistance of the Vendor, any permits or licenses necessary to conduct the Auction.

The Purchaser shall provide sufficient labour and supervisors for the set up and conduct of the Auction, including auctioneers, accounting support, and personnel to register bidders.

The Purchaser shall use commercially reasonable efforts to complete the Auction by no later than March 31, 2020.

The Purchaser is hereby authorized and has the right and authority to complete all of the following in respect of the Auction held at the Facility:

- (a) marketing of the Purchased Assets prior to the Auction, which marketing shall commence upon execution of this Agreement and shall include, without limitation:
- accessing the Facility in order to prepare for Auction and complete items below, in coordination with the Vendor;
  - immediately uploading details of the Purchased Assets to the Purchaser's website along with any photos;
  - arranging for a crew to clean, organize and prepare the Assets for sale, capturing detailed equipment information and taking additional high-resolution photos of each Purchased Asset;
  - advertising the Purchased Assets in local and industry-specific print and online publications and using search engine optimization to reach the widest audience of potential buyers; and
  - conducting direct mail and email campaigns to target select individuals from Purchaser's database;
- (b) transport the Purchased Assets to the Facility or such other location where the Auction of the Purchased Assets will occur;
- (c) oversee the liquidation and disposal of the Purchased Assets, including carrying out and managing all aspects of the on-site preparation and organization of the Purchased Assets for auction and mobilizing a team of personnel to carry out the foregoing tasks;
- (d) catalogue and photograph the Purchased Assets for posting on Purchaser's website and other marketing channels;
- (e) organize and manage site visits to the Facility and inspections of the Purchased Assets by potential bidders;
- (f) enable on-site and real-time online bidding on the day of the Auction;
- (g) provide and supervise fully qualified and experienced personnel, including without limitation all managerial, labour, accounting and Auction day personnel, who will prepare for and sell the Purchased Assets for the Purchaser's benefit; and
- (h) provide all on-site and Auction day customer amenities including catering (as applicable), restroom facilities, first aid attendants and convenient buyer services.

## **ARTICLE 5 REPRESENTATIONS AND WARRANTIES**

### **5.1 Vendor's Representations and Warranties**

The Vendor hereby represents and warrants to the Purchaser that:

- (a) the Vendor has been appointed by the Court as receiver and manager of the property of the Debtors pursuant to the Receivership Order, and such appointment is valid and subsisting as not been varied or amended, except as set forth in the Receivership Order;
- (b) provided that Court Approval is obtained, the execution, delivery and performance of this Agreement by the Vendor does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority;
- (c) provided that Court Approval is obtained, this Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor and is enforceable against the Vendor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity; and
- (d) neither the Vendor nor the Debtors is a non-resident of Canada for the purposes of the Income Tax Act.

## **5.2 Purchaser's Representations and Warranties**

The Purchaser hereby represents and warrants to and in favour of the Vendor that:

- (a) the Purchaser is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) the Purchaser has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement;
- (c) provided that the Court Approval is obtained, execution, delivery and performance of this Agreement by the Purchaser does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of the Transaction;
- (d) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (e) there is no requirement for the Purchaser to make any filing with, give any notice to, or obtain any authorization of, any Governmental Authority pursuant to the *Competition Act (Canada)*, as a result of, in connection with, or as a condition to the lawful completion of the Transaction;

- (f) the Purchaser is not a non-Canadian person within the meaning of the *Investment Canada Act* nor a non-resident for the purposes of the Income Tax Act; and
- (g) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price and any other amounts payable by the Purchaser pursuant hereto;

### **5.3 Enforcement of Representations and Warranties**

- (a) The representations and warranties of each Party contained in this Agreement shall survive until Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement.
- (b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchaser, and the representations and warranties of the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other person.
- (c) The Parties expressly acknowledge and agree that the provisions of this Section 5.3 and the limit on each Party's liability set out in this Section 5.3 are intended by the Parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume in connection with the subject matter hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

### **5.4 Additional Representations and Warranties**

- (a) The Purchaser acknowledges and agrees that it is acquiring the Purchased Assets on an "as is, where is" and "without recourse" basis, and that neither the Vendor nor any of its Representatives make any representations or warranties of any kind whatsoever, express or implied, and in particular, and without limiting the generality of the foregoing, the Vendor expressly negates and disclaims, and neither the Vendor nor any of its Representatives shall be liable for, any representation or warranty which may have been made or alleged to be made in any instrument or document related hereto, or in any statement or information made or communicated (in writing or orally) to the Purchaser or its Representatives in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Vendor or any of its Representatives in connection with the Purchased Assets, Assumed Liabilities or in relation to the Transaction. For greater certainty, neither the Vendor nor any of their Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:
  - (i) the merchantability, physical or financial condition, description, fitness for a particular purpose, suitability for development, title, description, use or zoning, Environmental condition, existence of latent defects, quality, quantity or any other thing affecting any of the Purchased Assets;

- (ii) the data room information or any other data or written or oral information supplied by the Vendor or any of its Representatives in connection with the Purchased Assets, including by way of management presentations, site visits and diligence meetings or telephone calls or otherwise;
- (iii) the value of any of the Purchased Assets;
- (iv) any regulatory approvals, Permits and licenses, consents or authorizations that may be needed to complete the Transaction contemplated by this Agreement or to operate or carry on the Business or any portion thereof; or
- (v) the quality, condition, description, fitness for purpose, suitability, serviceability or merchantability of the Equipment or Inventory or any other tangible, depreciable equipment or property forming part of the Purchased Assets.

Notwithstanding the as-is, where-is (and without recourse) nature of the Transaction, nothing set forth in this Section 5.4(a) shall relieve the Purchaser of its right to an adjustment to the Purchase Price in respect of damaged or missing Equipment.

- (b) The Purchaser hereby acknowledges and confirms that it is satisfied with its due diligence investigations with respect to the Purchased Assets, and hereby acknowledges and confirms that it is relying solely on its own investigations concerning the Purchased Assets, and it has not relied on any advice from the Vendor or any of its Representatives with respect thereto, including with respect to the matters specifically enumerated in Section 5.5(a) in connection with the purchase of the Purchased Assets pursuant hereto.
- (c) Any information regarding or describing the Purchased Assets in this Agreement (including the Schedules hereto), or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Vendor or any its Representatives, or any other Person concerning the completeness or accuracy of such information or descriptions.
- (d) Except for its rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor and its Representatives in respect of the Purchased Assets, the Transaction and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta) (or similar applicable statutes), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

- (e) None of representations and warranties contained in this Article 5 shall survive Closing and, other than in the case of fraud, the Purchaser's sole recourse for any material breach of representation or warranty in this Article 5 shall be for the Purchaser to not complete the transactions in accordance with Sections 7.1, 7.2 and 7.3 of this Agreement.

## **ARTICLE 6 COVENANTS**

### **6.1 Possession of Purchased Assets and Expenses for Removal**

- (a) If the Closing occurs, the Purchaser shall be responsible for and shall take possession of the Purchased Assets at the Facility or such other location as the Parties may agree in writing at the Purchaser's sole cost and expense. In addition, Purchaser shall be responsible and pay as and when required:
  - (i) any and all costs of dismantling or removing Purchased Assets from the applicable Facility and/or transporting them to a new location; and
  - (ii) the cost of repairing any damage caused by dismantling or removal of any of the Purchased Assets from the Facility and/or transporting to a new location.
- (b) The Purchaser shall be liable for any and all Claims whatsoever caused by or in any way arising out of any dismantling or removal of any Purchased Assets from the designated Facility or any failure to dismantle or remove any Purchased Assets from the designated Facility. The Purchaser shall indemnify and save harmless the Vendor from and against all of the Vendor's Losses and Liabilities to the extent arising as a consequence of the Purchaser's failure to comply with its obligations under Section 6.1(a) above.

### **6.2 Personal Information**

- (a) The Vendor and the Purchaser shall at all times, use and disclose the Personal Information under their or its control solely for the purposes for which the Personal Information was collected or permitted to be used or disclosed, unless to the extent required by Applicable Law, the Vendor or the Purchaser, as the case may be, has obtained the consent of or has given notice to the individual to whom the Personal Information relates of the additional purposes for which the Personal Information is to be used or disclosed, or such additional purposes are permitted or authorized by Applicable Law;
- (b) protect the Personal Information using security safeguards that meet or exceed industry standards, taking into account the sensitivity of the Personal Information; and
- (c) give effect to any withdrawal of consent by the individual to whom the Personal Information relates where the Personal Information was collected with consent.

## **ARTICLE 7 CONDITIONS OF CLOSING**

### **7.1 Mutual Conditions**

The respective obligations of the Parties to complete the Transaction are subject to the following conditions being fulfilled or performed as at or prior to the Time of Closing:

- (a) the Court has granted the Approval and Vesting Order;
- (b) all necessary waivers, consents and/or approvals of Governmental Authority, if any, for completion of the Transaction has been obtained;
- (c) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or law which has the effect of: (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the consummation the Transaction; and
- (d) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the written agreement of both the Vendor and the Purchaser.

### **7.2 Conditions for the Benefit of the Purchaser**

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed as at or prior to the Time of Closing:

- (a) all representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects as at the Time of Closing with the same force and effect as if made at and as of such time, and the Vendor shall have delivered to the Purchaser a certificate to that effect substantially similar in form to that attached hereto as Schedule 7.3;
- (b) the Vendor has complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement; and
- (c) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 8.2 hereof.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have. If any of the said conditions have not been complied with or waived by the Purchaser at or before the Time of Closing, the Purchaser may terminate this Agreement by written notice to the Vendor.

### **7.3 Conditions for the Benefit of the Vendor**

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed as at or prior to the Time of Closing:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects as at the Time of Closing with the same force and effect as if made at and as of such time, and the Purchaser shall have delivered to the Vendor a certificate to that effect substantially similar in form to that attached hereto as Schedule 7.3;
- (b) the Purchaser has complied with and performed in all material respects all of its covenants and obligations contained in this Agreement; and
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents contemplated in Section 8.3 hereof.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have. If any of the said conditions have not been complied with or waived by the Vendor at or before the Time of Closing, the Vendor may terminate this Agreement by written notice to the Purchaser.

### **7.4 Satisfaction of Conditions**

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 7.2, 7.3 and 7.4. In addition, each of the Parties agrees not take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

## **ARTICLE 8 CLOSING**

### **8.1 Closing Date and Place of Closing**

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date, The completion of the Transaction shall take place at the Time of Closing at the offices of the Vendor's Solicitors, or at such other time or such other location as the Parties may agree in writing.

### **8.2 Deliveries on Closing by the Vendor**

The Vendor shall deliver to the Purchaser at the Time of Closing:

- (a) a Court certified copy of the Approval and Vesting Order;
- (b) the General Conveyance, duly executed by the Vendor;



- (c) the certificate of the Vendor referred to in Section 7.2(a);
- (d) any Specific Conveyances, requested by the Purchaser, acting reasonably,. each in form and substance satisfactory to the Parties, acting reasonably, as executed by the Vendor; and
- (e) such further and other documents as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

### **8.3 Deliveries on Closing by the Purchaser**

The Purchaser shall deliver to the Vendor at the Time of Closing:

- (a) the cash payment as contemplated by Section 3.2(a);
- (b) the General Conveyance, duly executed by the Purchaser;
- (c) the certificate of the Purchaser referred to in Section 7.3(a);
- (d) any Specific Conveyances, requested by the Vendor, acting reasonably, each in form and substance satisfactory to the Parties, acting reasonably, duly executed by the Purchaser; and
- (e) such further and other documents as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

### **8.4 Risk and Insurance**

The risk of loss of the Purchased Assets shall remain with the Vendor until Closing. Upon Closing, all title and risk in respect to the Purchased Assets shall pass to the Purchaser effective as of the Effective Time. Any property, liability and other insurance maintained by the Vendor shall not be transferred as of the Time of Closing, but shall remain the responsibility of the Vendor until the Time of Closing. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Purchased Assets in respect of the period from and after the Time of Closing.

## **ARTICLE 9 INDEMNITY**

### **9.1 Indemnification Given by Purchaser**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor for; and
- (b) as a separate covenant, indemnify the Vendor and its Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by any of them to the extent arising or accruing on or after the Effective Time and which relate to the Purchased Assets, the Auction of the Purchased Assets including all Losses and Liabilities attributable to the

ownership, operation, use, construction or maintenance of the Purchased Assets arising or accruing on or after the Effective Time. The Purchaser's indemnity obligation set forth in this Section 9.1 shall survive the Closing Date indefinitely.

## **9.2 Third Party Claims**

- (a) If the Vendor receives notice of the commencement or assertion of any Third Party Claim for which the Purchaser may be liable pursuant to this Agreement, the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than fourteen (14) days after receipt of such notice of such Third Party Claim, Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Loss that has been or may be sustained by the Vendor, and a reference to the provisions of this Agreement upon which such claim is based.
- (b) The Purchaser may participate in the defence of any Third Party Claim by giving notice to that effect to the Vendor not later than fourteen (14) days after receiving notice of that Third Party Claim so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor with evidence thereof; and (iii) the Purchaser participates in the defence of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. The Vendor shall cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.
- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to participate in the defence of such Third Party Claim, or if the Purchaser has given such notice but thereafter fails to conduct such defence of such Third Party Claim actively and diligently, the Vendor may, at its option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Loss suffered or incurred by the Vendor with respect to such Third Party Claim.

## **9.3 Failure to Give Timely Notice**

A failure to give timely notice as provided in this Article 9 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

## **9.4 No Merger**

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

## **ARTICLE 10 TERMINATION**

### **10.1 Termination**

This Agreement may be terminated at any time prior to Closing:

- (a) by the mutual written consent of the Parties hereto;
- (b) by the Purchaser upon written notice to the Vendor, if the Vendor breaches any of the material obligations, covenants, representations and warranties under this Agreement, and such breach not having been cured within three (3) Business Days of written notice of such material breach being given by the Purchaser to the Vendor;
- (c) by the Vendor upon written notice to the Purchaser, if the Purchaser breaches any of the material obligations, covenants, representations and warranties under this Agreement, and such breach not having been cured within three (3) Business Days of written notice of such material breach being given by the Vendor to the Purchaser;
- (d) by the Purchaser upon written notice to the Vendor if the conditions for the benefit of the Purchaser pursuant to the provisions of Section 7.2 are not satisfied or waived by or on the Closing Date;
- (e) by the Vendor upon written notice to the Purchaser if the conditions for the benefit of the Vendor pursuant to the provisions of Section 7.3 are not satisfied or waived by or on the Closing Date; and
- (f) by either the Vendor or Purchaser upon written notice if Closing does not occur on or before March 31, 2020.

### **10.2 Effect of Termination**

Notwithstanding any termination of this Agreement by the Vendor or the Purchaser as permitted under Section 10.1, the provisions of Sections 9.1, 9.2, 9.3, 10.2, 11.1, 11.4, 11.5, 11.11 and 11.14 shall remain in full force and effect following any such permitted termination of this Agreement.

## **ARTICLE 11 MISCELLANEOUS**

### **11.1 Specific Conveyances**

No Specific Conveyance shall confer or impose upon a Party any greater right or obligation than contemplated in this Agreement, The Purchaser may prepare Specific Conveyances which it

reasonably wishes to have executed and shall provide same to the Vendor for its review and execution in a timely fashion prior to the Time of Closing. The Purchaser shall, as applicable, register and/or distribute all Specific Conveyances and all costs and fees, including making all deposits and providing all assurances and security of every nature and kind required in connection with the distribution and registration of the Specific Conveyances and the conveyance, transfer and assignment of the Purchased Assets to the Purchaser and the recognition of the Purchaser as the holder thereof shall be for the account of the Purchaser.

## **11.2 Obligations to Survive**

With the exception of the representations and warranties of the Parties contained in Section 5.1 and 5.2 (which shall not survive the Closing of the purchase and sale of the Purchased Assets pursuant to this Agreement and shall expire and be terminated and extinguished upon Closing), notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties thereafter,

## **11.3 Governing Law**

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction), Each Party irrevocably submits to the exclusive jurisdiction of the Court with respect to the resolution of any dispute arising from this Agreement.
- (b) Notwithstanding Section 11.4(a), any and all documents or orders that may be filed, made or entered in the Receivership Proceedings, and the rights and obligations of the Parties thereunder, including all matters of construction, validity and performance thereunder, shall in all respects be governed by, and interpreted, construed and determined in accordance with the laws of the Province of Alberta without regard to the conflicts of law principles thereof. The Parties consent to the jurisdiction and venue of the Court for the resolution of any such disputes, regardless of whether such disputes arose under this Agreement. Each Party agrees that service of process on such Party as provided in Section 11.11 shall be deemed effective service of process on such Party.

## **11.4 Consequential Damages**

Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) (collectively, "**Consequential Damages**") that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transaction.

## **11.5 Further Assurances**

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as

may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

#### **11.6 Assignment by Purchaser**

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to one or more Affiliates of the Purchaser, provided that such Affiliate agrees to be bound by the terms of this Agreement and provided that the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate. The Vendor shall not assign any right or interest in this Agreement.

#### **11.7 Waiver**

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude all other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

#### **11.8 Amendment**

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

#### **11.9 Time of the Essence**

Time is of the essence in this Agreement.

#### **11.10 Costs and Expenses**

Each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction,

#### **11.11 Notices**

Any notice, demand or other communication required or permitted to be given to any Party shall be given in writing and addressed as follows:

**(a) in the case of the Vendor:**

**KPMG Inc.**  
Suite 3100, 205 5 Ave SW  
Calgary, AB T2P 4B9  
Attention: Neil Honess  
Email: nhoness@kpmg.ca

with a copy to:

**MLT Aikins LLP**

2100, 222 - 3 Ave S.W.

Calgary, AB, T2P 0B4

Attention: Ryan Zahara, Partner

Email: rzahara@mltaikins.com

(b) In the case of the Purchaser:

GD Auctions & Appraisals Inc.

105, 11500 29 Street SE

Calgary, AB T2Z 3S9

Attention: James Carlson

Email: jcarlson@gdauctions.com

A notice is deemed to be given and received if: (i) sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; or (ii) sent by email, on the date of transmission if it is a Business Day and the transmission was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party. The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a Party.

#### **11.12 Enurement**

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns.

#### **11.13 Third Party Beneficiaries**

Each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns.

#### **11.14 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

#### **11.15 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter

hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement.

#### **11.16 Counterparts**

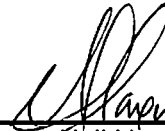
This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

*[The balance of this page intentionally left blank]*

IN WITNESS WHEREOF this Agreement has been properly executed by the Parties as of the date first above written.

KPMG INC., SOLELY IN ITS CAPACITY AS  
THE RECEIVER OF THE  
UNDERTAKINGS, PROPERTY AND  
ASSETS OF AQUILA FABRICATION AND  
EQUIPMENT LTD., 965431 ALBERTA LTD.  
AND 1768192 ALBERTA LTD. AND NOT IN  
ITS PERSONAL CAPACITY OF  
CORPORATE CAPACITY

Per:



Name: Neil Honess

Title: SENIOR VICE PRESIDENT

GD AUCTIONS & APPRAISALS INC.

Per:



Name: James Carlson

senior vice president

Title:



**SCHEDULE 1.1(aa)  
LIST OF EQUIPMENT**

VEHICLES

2012 FORD F450  
 KENWORTH T900 - SEMI WITH PICKER/BUCKET

SHOP EQUIPMENT

ASSORTED WRENCH SETS  
 SUB ARC TOOL SET  
 10 HP ELECTRIC MOTOR - 804D4FLF2U4  
 PALLET JACK - L502626  
 ASTRO INTERNATIONAL DRILL PRESS - 21425  
 AZTEC WATER PUMP 3G5  
 AZTEC WATER PUMP 750  
 KAESER CS91 ROTARY SCREW AIR COMPRESSOR  
 2011 BOGE ROTARY SCREW AIR COMPRESSOR - 5051387  
 AZTEC TWIN TUBE WHEELBARROW  
 QUINCY SHOP AIR COMPRESSOR - 976070-LS  
 JOBMATE 3 GALLON PROTABLE AIR COMPRESSOR  
 COLLICUTT BLUE ROLLER CONVEYOR - R005  
 DURMA 80 TON IRONWORKER - 664104050  
 GULLCO MODEL 125 ROD OVEN - GOV-3333  
 GULLCO MODEL 125 ROD OVEN - GOV-13981  
 GULLCO MODEL 125 ROD OVEN - GOV-23564  
 HGG TRANSPORTABLE PIPE PROFILER - 10830  
 KJELLBERG FINE FOCUE 450 PLASMA CUTTING - GB15579 1-2004  
 HITACHI 14" CUT-OFF SAW - C210250  
 HOTSY STEAM PRESSURE WASHER MODEL 9455 - 226617  
 HYD-MECH S2- BANK SAW - 60298439  
 HYPERTHERM 100A PLASMA - 71-000615  
 INGERSOLL RAND P375WJD COMPRESSOR - 277439UEH414  
 IRIZAR WELDING ROTATOR CONTOL PANEL STATION #1- 356039  
 IRIZAR WELDING ROTATOR CONTOL PANEL STATION #7 -356037  
 IRIZAR WELDING ROTATOR CONTOL PANEL STATION #8 - 356036  
 IRIZAR WELDING ROTATOR CONTOL PANEL STATION #10 - 356032  
 IRIZAR WELDING ROTATOR CONTOL PANEL STATION #11  
 IRIZAR WELDING ROTATOR CONTOL PANEL STATION #12 - 356033  
 IRIZARR WELD POSITIONS  
 ITC 8" BENCH GRINDER - 28014  
 BALDOR 712R BENCH GRINDER - W1096  
 JET JDP-17MF FLOOR DRILL PRESS - 100025  
 JOBOX JOB BOX - 682990R5  
 16 WELDING SCREENS  
 LJ WELDING MODEL - 009  
 LJ WELDING 12 TON POWERED TANK ROLLERS - 239  
 2005 LJ WELDING 12 TON IDLER TAN ROLLER - 269  
 2001 LJ WELDING 12 TON IDLER TAN ROLLER - 138  
 2001 LJ WELDING 12 TON IDLER TAN ROLLER - 136  
 2004 LJ WELDING 12 TON IDLER TAN ROLLER - 202  
 2000 LJ WELDING 12 TON IDLER TAN ROLLER - 131  
 2000 LJ WELDING 12 TON IDLER TAN ROLLER - 120  
 LJ WELDING 12 TON IDLER TAN ROLLER - 050  
 RIGID 802 PIPE & BOLT THREADER = 9100281  
 RIGID 535 POWER THREADER - EAM13957E97  
 DESCRIPTION  
 RUFFNECK HEATER HP3-30 - SN 2339-1060  
 RUFFNECK HEATER HP3-30 - SN 2339-1059  
 RUFFNECK HEATER FRI 24A1A12A - RH160892  
 TANK TURNING POWERED DRIVE ROLLER 2 TON - DR002  
 TANK TURNING POWERED DRIVE ROLLER 2 TON - DR003  
 TANK TURNING POWERED DRIVE ROLLER 2 TON - DR006  
 TANK TURNING POWERED DRIVE ROLLER 2 TON - DR007  
 TANK TURNING POWERED DRIVE ROLLER 2 TON - DR008  
 TANK TURNING POWERED DRIVE ROLLER 2 TON - D113D  
 SOV POWERED DRIVE ROLLER 20 TON - DR005  
 WELDERTECH TANK 50 TON - DR001

SOV POWERED DRIVE ROLLER 70 TON - DR004  
SOV IDLER ROLLER 50 TON - IR004  
SOV IDLER ROLLER 70 TON - IR001  
SOV IDLER ROLLER 70 TON - IR002  
SOV IDLER ROLLER 50 TON - IR003  
SOV IDLER ROLLER 50 TON - IR005  
POWERED ROLLER 70 TON - D112B  
SUREFLAME CONSTRUCTION HEATER MODEL 5L5 - 920  
SUREFLAME CONSTRUCTION HEATER MODEL 5L5 - 521  
TECO PUMP AND MOTOR - BA702013000  
6 HEAVY DUTY STEEL PIPE TURNING STANDS  
OSKAR FLEXIBLE ARM WELDING FUME VENTS  
3 SHOP BENCHES  
8 STEEL WORKBENCH  
ROLLING TOOL BENCH STAND (YELLOW)  
3OXYACETYLENE CART W/TORCH  
2 POWERFIST 8" BENCH GRINDERS  
POWERFIST 50 TON INDUSTRIAL HYD SHOP PRESS  
21 ASSORTED PIPE TRIPOD STANDS  
TRACKER PRO TABLE 6012 CNC CUTTING SYSTEM - 10909  
MILLER SPECTRUM 1000 PLASMA CUTTING SYSTEM - LJ40316P  
2004 MOD - U BLAST CABINET - 20386  
GRACO EXTREME X30 AIRLESS SPRAYER  
WAREHOUSE COUNTER  
WAREHOUSE LADDER 16 STEP  
2 WAREHOUSE BANDING CARTS  
3 WAREHOUSE PICKING CARTS  
FLAMMABLE 2 DOOR METAL STORAGE CABINET  
20 METAL SINGLE TIER WIDE LOCKERS  
SCAFFOLDING  
2 TIGER TORCHES  
SCHUMACHER 200A BATTER CHARGER  
HUSKY TOOL CHEST & CABINET  
BEACH TOOL CHEST & CABINET  
INTERNATIONAL TOOL CHEST  
GREY CABINET  
VARIOUS PRESSURE GAUGES  
FIRST AID SUPPLIES  
LOTS OF ASSORTED PIPE RACKS  
35 ASSORTED JOB INVENTORY BINS  
FUEL STANDS 2 X 500 GAL TANKS  
FUELSTANDS 300 GAL TANKS  
2 CYLINDER TANKS STORAGE RACKS  
4 ASSORTED METAL FORKLIFE DUMP BINS  
1976 UNIVERSAL INDUSTRIES WATER STORAGE  
HOPPER TANK FOR BLAST MEDIA  
MOD-U BLAST POT - 3157  
HIGHBOY 38" OILFIELD FLOAT - 2ATC09148AU109022  
DOUBLE A TRIDEM 24" DECK TRAILER - 2DAH83764T002979  
HOMBUILT STEP DECK TOMBONE LOWBOY TRAILER - B958  
CAT WHEEL LOADER - 40670-020  
CAT PROTABLE GENERATOR - 40670-020  
COMBI LIFT C17300 COUNTERBALANCE FORKLIFE - 7027  
DAEWOO FORKLIFT - D2-03112  
GERLIE MAN LIFT - 1760  
2 40" SEACAN STORAGE CONTAINERS  
20" SKI SHACK MOUNTED  
12" SKID SHACK  
X-RAY BUNKER  
60 CONCRETE BLOCKS  
ACKLANDS BIA A G-300DC/E ARCH WELDER - JA401161  
ACKLANDS DR-300DC-3 ARC WELDER - HF369159  
ESAB PEMA 750 WELD POSITIONER MANIPULATOR - A-9969  
ESAB PEMA 750 WELD POSITIONER MANIPULATOR - A-9970  
HYPERTERM POWERMAX PLASMA - 1000-019290  
LAF 1250 DC -A-101182  
LINCOLN INVERTEC V350 PRO WELDER - U1040813834

LINCOLN INVERTEC V350-PRO WELDER - U1040813834  
LINCOLN LN-7 WIRE FEEDER - U1020515415  
LINCOLN INVERTEC V350-PRO WELDER - U1060600826  
LINCOLN LN-7 WIRE FEEDER - U1011108254  
LINCOLN POWER MIG 255C - U1051020924  
LINCOLN POWER MIG 255C - U1041106172  
LINCOLN POWER MIG 255C - U1050807598  
LINCOLN INVERTEC V350-PRO MIG - U1010702830  
LINCOLN INVERTEC V350-PRO MIG - U111206888  
LINCOLN POWER MIG 255C - U1051020884  
LINCOLN POWER MIG 255C - U1051106158  
LINCOLN SQUARE WAVE TIG 275 - U1010503560  
LINCOLN INVERTEC V350-PRO MIG - U1990512170  
LINCOLN POWER MIG 255C - U1051020886  
LINCOLN POWER MIG 255C - U1060115146  
LINCOLN INVERTEC V350-PRO MIG - U1050418626  
LINCOLN INVERTEC V350-PRO MIG - U10560708811  
LINCOLN LF-72 WIRE FEEDER - U1060808963  
LINCOLN POWER MIG 255C - K2416-2-112118  
LINCOLN LF-72 WIRE FEEDER - U1060812796  
LINCOLN INVERTEC V350-PRO MIG - U1020110103  
LINCOLN POWER FEED 10M WIRE FEEDER - U10507090536  
LINCOLN PWER WAVE 455M/SST WELDING POWER - U10503255  
LINCOLN INVERTEC V350-PRO MIG - U10104099450  
LINCOLN LN-7 WIRE FEEDER - U1011108268  
LINCOLN LN-7 WIRE FEEDER - U1010625535  
LINCOLN ARC WELDER - 96375  
LINCOLN IDEALARC R3R-400 ARC WELDER - C1010600249  
LINCOLN IDEALARC R3R-400 ARC WELDER - C1010600262  
LINCOLN PWER WAVE 455M/SST WELDING POWER - U10610037 2014  
LINCOLN 255C MIG - U1051020924  
LINCOLN DC-1500 ARC WELDER (OLDER) - AC467704  
MILLER DIMENSION 320 CC/CV DC WELDING POWER - KE7320142014  
MILLER XMT350 CC/CV MULTI-PROCESS - LF190659  
MILLER 22A WIRE FEEDER - LF130258  
MILLER XMT350 CC/CV MULTI-PROCESS - LF171384  
MILLER TRAILBLAZER 302 EFI PORTABLE - MB320081H  
MILLER 22A WIRE FEEDER - LF130259  
MILLER 22A WIRE FEEDER - LF130259  
MILLER 22A WIRE FEEDER - LF171384  
MILLER XMT304 CC/CV DC INVERTER - LC310824  
MILLER S-74S WIRE FEEDER - LK150013U  
MILLER CP-302 CV/DC POWER - LA226775  
MILLER DELTAWELD 302 - LC381257  
ESAB SUB ARC WELD - OL  
SUB ARC WEL MANIPULATOR - U1020709890  
THERMAL DYNAMICS - 759148  
THERMAL ARC FABSTAR - 52201105  
PLASMA TABLE  
FORKS AND GRIPPER FOR SKIDSTEER  
SCREW AIR COMPRESSOR, RESIVOIR CYLINDER, AIR DRYER, TRANSFO  
SUB ARC

#### COMPUTER HARDWARE

LENOVO LAPTOP - 444638U  
TOSHIBA LAPTOP - 94316550K  
AVER LCD MONITOR - MLR9AA00121505846857  
ACER LCD MONITOR - ETL800C01870109B19403  
ACER LCD MONITOR - AZ3620 ES10P  
ACER LCD MONITOR - MLR9AA0012180943R857  
ASUS LCD MONITOR - BBLMTF174494  
DAYTEK LCD MONITOR 19" - B9NX54601152  
DELL LCD MONITOR - X-0CC302-46634-6B0-1CL  
DELL LCD MONITOR - N-0CK630-64180-6A1-202  
ELO LCD MONITOR - P/N: D95678-001  
HP LCD MONITOR - CND7303JX5  
LG LCD MONITOR - 405KGWR1Y857

NORCENT LCD MONITOR - 7712T100S470  
NORCENT LCD MONITOR - 7717T1010072  
SAMSUNG LCD MONITOR - PE19HVZP308445M  
XPLIO LCD MONITOR - 4239J002370157  
XPLIO LCD MONITOR - 3282W00237002  
XPLIO LCD MONITOR - 32W002370008  
ACER TOWER - SVW7PC05  
ACER ASPIRE TOWER CORE I5 - SVW 7PC04  
ACER ASPIRE TOWER - SVW 7PC02  
CICERO TOWER - 1138829  
CICERO DESKTOP AMD64 - 1127644  
DELL DESKTOP P4 - DQDLP51  
DELL TOWER - SVW 7PC05  
DELL PRECISION 690 XEON TOWER - SVXPC14  
DELL OPTIPLEX - 6XKMZ21  
HP PROLIANT ML30G5 - USE830N48M  
HP TOWER - MXX21506BF  
HP TOWER - MXX2130CJJ  
IBM TOWER PENTIUM4 - KCT3RFA  
CANON MODEL MP700 PRINTER - DZJ05569  
HP PRINTER  
LEXMARK C543DN COLOR LASER PRINTER - 9814NVB  
LEXMARK PRINTER  
DKIFAX MODEL - FX-050BVP  
BROTHER P-TOUCH - U60278-B4J880534  
ROYAL MODEL - LR14MX  
GPC MODEL H212 - TK28162H  
MITEL TELEPHONE SYSTEL W/ APPROX MITEL 15 HANDSETS  
MOTOROLA 2-WAY RADIOS  
PLABTRONIC 2 SETS HEADSETS  
APC SMART UPS 100  
APC BACKUPS XS100

#### OFFICE EQUIPMENT

2 PORTABLE HEATERS  
4 DOUBLE PEDESTAL METAL DESKS  
T-FAL TOASTER  
PROCTOR - SILEX TOASTER  
CROCKPOT  
OSTER COFFEE MAKER  
TIM HORTONS COFFEE MAKER  
SUPERIOR KETTLE  
SAMSUNG 2 - MICROWAVES  
DANBY 2 - MICROWAVES  
BEAUMARK REFRIGERATOR  
ADMIRAL REFRIGERATOR  
GLOBAL METAL 2 DOOR + 2 DRAWER OFFICE CABINET  
BOARDROOM TABLE  
30 ASSORTED OFFICE CHAIRS  
3 RECEPTION CLOTH ARM CHAIRS  
METAL 2 DRAWER LEGAL FILE CABINETS  
3 METAL 4 DRAWER LATERAL FILING CABINETS  
WOOD 2 DRAWER LATERAL FILE CABINET  
3 METAL 3 DRAWER LATERAL FILING CABINETS  
METAL 4 DRAWER LATERAL FILING CABINET  
3 METAL 3 DRAWER LATERAL FILING CABINETS  
4 SHELVING UNITS  
4 STORAGE CABINETS  
5 - 2 DRAWER FILING CABINETS  
2 PICNIC TABLES  
2 SHOP LUNCHROOM TABLES  
LOT (3) ASST TIME STAMP CLOCKS

**SCHEDULE 3.3  
ALLOCATION OF PURCHASE PRICE**

Equipment

██████████

**Total purchase price**

██████████

**SCHEDULE 7.3  
FORM OF OFFICER'S CERTIFICATE**

**TO: GD Auctions & Appraisals Inc. (the "Purchaser")**

**RE: Asset Purchase and Sale Agreement dated • between the Vendor and the Purchaser  
(the "Agreement")**

Unless otherwise defined herein, the definitions provided for in the Agreement are adopted in this certificate (the "**Certificate**").

I, James Carlson, Senior Vice President of the Purchaser hereby certify that as of the date of this Certificate:

1. The undersigned is personally familiar, in his capacity as an officer of Purchaser, with the matters hereinafter mentioned.

Each of the covenants, representations and warranties of the Purchaser contained in Article 5 of the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.

3. All obligations of Purchaser contained in the Agreement to be performed prior to or at Closing have been timely performed in all material respects.

4. The conditions to Closing set forth in Article 7 of the Agreement for the benefit of the Purchaser have been satisfied or waived to the full satisfaction of the Purchaser.

5. This Certificate is made for and on behalf of the Purchaser and is binding upon it, and I am not incurring, and will not incur, any personal liability whatsoever with respect to it,

6. This Certificate is made with full knowledge that the Purchaser is relying on the same for the Closing of the Transaction.

IN WITNESS WHEREOF I have executed this Certificate this day of January 9th, 2020.

**GD Auctions & Appraisal Inc.**

Per:  
Name:  
Title:

**SCHEDULE 7.3  
FORM OF OFFICER'S CERTIFICATE**

**TO: KPMG Inc. Receiver of Aquila Fabrication and Equipment Ltd., 965431 Alberta Ltd., and 1761892 Alberta Ltd. (the "Vendor")**

**RE: Asset Purchase and Sale Agreement dated • between the Vendor and the Purchaser (the "Agreement")**

Unless otherwise defined herein, the definitions provided for in the Agreement are adopted in this certificate (the "**Certificate**").

I, Neil Honess, Senior Vice President of the Vendor hereby certify that as of the date of this Certificate:

1. The undersigned is personally familiar, in his capacity as an officer of the Vendor with the matters hereinafter mentioned.

Each of the covenants, representations and warranties of the Vendor contained in Article 5 of the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.

5. All obligations of Vendor contained in the Agreement to be performed prior to or at Closing have been timely performed in all material respects.

6. The conditions to Closing set forth in Article 7 of the Agreement for the benefit of the Vendor have been satisfied or waived to the full satisfaction of the Vendor.

5. This Certificate is made for and on behalf of the Vendor and is binding upon it, and I am not incurring, and will not incur, any personal liability whatsoever with respect to it,

6. This Certificate is made with full knowledge that the Vendor is relying on the same for the Closing of the Transaction.

IN WITNESS WHEREOF I have executed this Certificate this day of January 9th, 2020.

**KPMG Inc. Receiver of  
Aquila Fabrication and Equipment Ltd.,  
965431 Alberta Ltd., and 1761892 Alberta Ltd.**

Per:  
Name:  
Title



**SCHEDULE A  
FORM OF BILL OF SALE AND GENERAL CONVEYANCE**

**BILL OF SALE AND GENERAL CONVEYANCE**

**THIS BILL OF SALE AND GENERAL CONVEYANCE** is made as of the 9<sup>th</sup> day of January 2020.

**BY:** **KPMG INC., SOLELY IN ITS CAPACITY AS THE RECEIVER OF THE UNDERTAKING, PROPERTY AND ASSETS OF AQUILA FABRICATION AND EQUIPMENT LTD., 965431 ALBERTA LTD. AND 1768192 ALBERTA LTD. AND NOT IN ITS PERSONAL CAPACITY OF CORPORATE CAPACITY**

**IN FAVOUR OF: GD AUCTIONS & APPRAISALS INC.**, a body corporate incorporated under the laws of the province of Alberta (the "**Purchaser**");

**WHEREAS** the Purchaser and the Vendors are parties to an asset purchase and sale agreement dated as of January 9, 2020 (the "**Asset Purchase Agreement**");

**AND WHEREAS** pursuant to the Asset Purchase Agreement, the Vendor has agreed to sell the Purchased Assets (as defined in the Asset Purchase Agreement) to the Purchaser;

**AND WHEREAS** the Vendors wish to convey to the Purchaser all of their right, title and interest in and to the Purchased Assets and the Purchaser wishes to accept that conveyance.

**NOW THEREFORE**, in consideration of the mutual promises contained in the Asset Purchase Agreement, and for other good and valuable consideration now given by the Purchaser to the Vendors (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

- 1 Capitalized terms used in this Bill of Sale and General Conveyance but not defined herein shall have the meanings ascribed to them in the Asset Purchase Agreement.
- 2 The Vendors hereby sell, assign, transfer, convey and deliver to the Purchaser all of the right, title and interest of the Vendor ill and to the Purchased Assets, at and from the Effective Time, to have and to hold the Purchased Assets, together with all benefit and advantage to be derived therefrom, to and for the Purchaser's sole and only use forever,
- 3 The Vendor shall from time to time hereafter, at the reasonable request of the Purchaser, make, do, execute and deliver, or cause to be made, done, executed and

delivered, all such further acts, instruments and assurances as the Purchaser may reasonably request to more effectually sell, assign, transfer and convey the Purchased Assets to the Purchaser as set out in this Bill of Sale and General Conveyance,

- 4 If this Bill of Sale and General Conveyance, or any other conveyance or other instrument which may from time to time be executed and delivered by the Vendors, fails to convey to the Purchaser any right in or to any of the Purchased Asset intended to be conveyed to the Purchaser in accordance with the Asset Purchase Agreement, the Vendors shall hold that Purchased Asset in trust for the benefit of the Purchaser and shall execute and deliver, or caused to be executed and delivered, all further conveyances, transfers and instruments as the Purchaser may from time to time reasonably require in accordance with Section Article 3 hereof. In the event that such failure to convey the Purchased Assets to the Purchaser is due to the fault of the Purchaser, the Purchaser shall be solely responsible for, and shall pay, all costs, charges and expenses in connection with any Purchased Asset held in trust by the Vendors pursuant to this Section Article 4 including, without limitation, all costs, charges and expenses incurred by the Vendor in connection with the execution and delivery of all necessary conveyances, transfers and instruments required to transfer any such asset to the Purchaser.
- 5 This Bill of Sale and General Conveyance is made pursuant to the Asset Purchase Agreement and is not in derogation of any of the rights or obligations that the Vendor or the Purchaser have under the Asset Purchase Agreement. The terms of the Asset Purchase Agreement shall not merge in this Bill of Sale and General Conveyance. In the event of any conflict or inconsistency between this Bill of Sale and General Conveyance and the Asset Purchase Agreement, the Asset Purchase Agreement shall govern and prevail.
- 6 This Bill of Sale and General Conveyance shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein,
- 7 This Bill of Sale and General Conveyance shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns, as the case may be.
- 8 This Bill of Sale and General Conveyance may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall constitute an original and all of which, when taken together, shall constitute one and the same Bill of Sale and General Conveyance. Delivery of an executed counterpart of this Bill of Sale and General Conveyance by facsimile transmission or in portable document format shall constitute delivery of an executed counterpart of this Bill of Sale and General Conveyance.

*[The remainder of this page is intentionally left blank.]*

IN WITNESS WHEREOF, the parties hereto have duly executed this Bill of Sale and General Conveyance as of the date first written above.

**KPMG INC., SOLELY IN ITS CAPACITY AS  
THE RECEIVER OF THE  
UNDERTAKINGS, PROPERTY AND  
ASSETS OF AQUILIA FABRICATION AND  
EQUIPMENT LTD., 965431 ALBERTA LTD.  
AND 1768192 ALBERTA LTD. AND NOT IN  
ITS PERSONAL CAPACITY OF  
CORPORATE CAPACITY**

Per:

\_\_\_\_\_  
Name: Neil Honess

\_\_\_\_\_  
Title:

**GD AUCTIONS & APPRAISALS INC.**

Per: \_\_\_\_\_

Name:

\_\_\_\_\_  
Title: